

# CITY OF TUCSON RECOMMENDED BIENNIAL BUDGET UPDATE



**Recommended Update for Fiscal Year 2006  
Fiscal Years 2005 & 2006 Biennial Budget**

# CITY OF TUCSON

## Recommended Update for Fiscal Year 2006

Fiscal Years 2005 & 2006 Biennial Budget

*Presented April 19, 2005*

### CITY COUNCIL



**HONORABLE  
ROBERT E. WALKUP**  
MAYOR



**JOSÉ J. IBARRA**  
WARD 1



**CAROL W. WEST**  
WARD 2



**KATHLEEN DUNBAR**  
WARD 3



**SHIRLEY C. SCOTT**  
WARD 4



**STEVE LEAL**  
WARD 5



**FRED RONSTADT**  
WARD 6

### CITY ADMINISTRATION

**MIKE HEIN**  
CITY MANAGER

**MICHAEL D. LETCHER**  
DEPUTY CITY MANAGER

**LIZ RODRIGUEZ MILLER**  
ASSISTANT CITY MANAGER

**BENNY YOUNG**  
ASSISTANT CITY MANAGER

**KAREN THORESON**  
ASSISTANT CITY MANAGER



## TABLE OF CONTENTS

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City of Tucson Organization Chart Fiscal Year 2006 .....	i
City of Tucson Officials and Directors .....	ii
Biennial Budget Calendar Fiscal Year 2006 .....	iii
How to Use This Budget .....	iv
Distinguished Budget Presentation Award .....	v

### SECTION A CITY MANAGER'S MESSAGE

City Manager's Message, City of Tucson Fiscal Year 2006 Recommended Budget .....	A-1
Budget Overview .....	A-4

### SECTION B RECOMMENDATIONS

Significant Adjustments to the Fiscal Year 2006 Budget .....	B-1
Revenue Adjustments to the Fiscal Year 2006 Budget .....	B-2
Expenditure Adjustments to the Fiscal Year 2006 Budget .....	B-5
Elected and Official	
Mayor and Council .....	B-7
City Manager .....	B-8
City Clerk .....	B-9
City Attorney .....	B-10
Neighborhood Services	
City Court .....	B-11
Community Services .....	B-12
Fire .....	B-13
Library .....	B-14
Neighborhood Resources .....	B-15
Parks and Recreation .....	B-16
Tucson City Golf .....	B-17
Police .....	B-18
Office of Equal Opportunity Programs and Independent Police Review .....	B-19
Office of the Public Defender .....	B-20

## TABLE OF CONTENTS

---



### SECTION B RECOMMENDATIONS

(Continued)

Environment and Development	
Development Services .....	B-21
Transportation .....	B-22
Urban Planning and Design .....	B-24
Utilities Services-Environmental Services .....	B-25
Utilities Services-Tucson Water .....	B-26
Zoning Examiner .....	B-28
Strategic Initiatives	
Tucson Convention Center .....	B-29
Office of Economic Development .....	B-30
Intergovernmental Relations .....	B-31
Tucson-Mexico Trade Office.....	B-32
Support Services	
Budget and Research .....	B-33
Finance.....	B-34
General Services .....	B-35
Human Resources .....	B-36
Information Technology .....	B-37
Procurement.....	B-38
Non-Departmental .....	B-39
Position Changes to the Fiscal Year 2006 Budget.....	B-40

### SECTION C LEGAL AUTHORIZATION

Legal Requirements	
Legal Requirements Imposed by the State.....	C-1
Legal Requirements Imposed by the City Charter.....	C-2
The City's Budget Process .....	C-3
Financial Policies and Practices .....	C-5
Statement Required by Arizona Revised Statutes §42-17102 Relative to Property Taxation .....	C-7

## TABLE OF CONTENTS

---



### SECTION C LEGAL AUTHORIZATION (Continued)

City of Tucson Property Tax Summary.....	C-8
City of Tucson Residential Property Owner Tax Valuation Fiscal Year 2005 Property Taxes .....	C-9

### SECTION D COMMUNITY STATISTICAL PROFILE

City of Tucson Area and Population Growth Charts .....	D-1
Number of City Employees Per 1,000 Population Chart.....	D-2
Selected Economic Indicators – Tucson Metro Area .....	D-3
Community Profile .....	D-4
Benchmarking Project .....	D-9
Benchmark Metropolitan Cities and 2002 Population .....	D-10
Economic Benchmarks .....	D-11
Demographic Benchmarks .....	D-16

### SECTION E SUMMARY INFORMATION

City of Tucson Components of the Total Financial Plan.....	E-1
Revenues-Fiscal Year 2006 Recommended Sources and Pie Chart.....	E-2
Appropriations- Fiscal Year 2006 Recommended Summary and Pie Chart .....	E-3
Summary of Expenditures by Department.....	E-4
Summary by Character of Expenditures .....	E-5
Revenues and Expenditures Comparisons .....	E-6
Explanation of City Funds .....	E-7
Comparison of General Purpose Revenues and Total Revenues .....	E-9
Revenues and Appropriations Summary Fiscal Year 2006 by Operating and Capital.....	E-10
Revenues and Expenditures Comparisons and Fund Balance - General Fund .....	E-11
Revenues and Expenditures Comparisons and Fund Balance - Other Funds.....	E-12
All Funds Summary .....	E-13
General Fund.....	E-15



# TABLE OF CONTENTS

---



## SECTION E SUMMARY INFORMATION

(Continued)

Special Revenue Funds.....	E-22
Enterprise Funds.....	E-29
Debt Service Funds .....	E-32
Capital Projects Funds .....	E-34
Revenue Descriptions .....	E-36
Primary Property Tax .....	E-36
Secondary Property Tax.....	E-37
City Business Privilege (Sales) Tax .....	E-38
Transient Occupancy and Room Taxes.....	E-39
Licenses and Permits .....	E-40
Public Utility Tax and Utility Franchise Fees .....	E-41
Fines, Forfeitures, and Penalties .....	E-42
Vehicle License (Auto Lieu) Tax .....	E-43
State Sales Tax .....	E-44
State Revenue Sharing.....	E-45
Highway User Revenue Fund (HURF) Allocation.....	E-46
Local Transportation Assistance Fund (LTAF).....	E-47
Ten-Year Adopted City Staffing Comparison with Fiscal Years 2005 and 2006 .....	E-49
Full-Time Equivalent Positions Permanent and Non-Permanent Fiscal Years 2005 and 2006 .....	E-54
Full-Time Equivalent Positions General Recurring Funds and Other Funds Fiscal Years 2005 and 2006 .....	E-56
Fiscal Year 2006 City of Tucson Classified Annual Salary Scale – Exempt Schedule.....	E-58
Fiscal Year 2006 City of Tucson Classified Annual Salary Scale Police – Exempt Schedule .....	E-58
Fiscal Year 2006 City of Tucson Classified Annual Salary Scale Fire – Exempt Schedule.....	E-59
Fiscal Year 2006 City of Tucson Classified Annual Salary Scale Legal – Exempt Schedule .....	E-59
Fiscal Year 2006 City of Tucson Classified Annual Salary Scale Information Technology – Exempt Schedule .....	E-60
Fiscal Year 2006 City of Tucson Classified Annual Salary Scale Golf and Ranch – Exempt Schedule....	E-60
Fiscal Year 2006 City of Tucson Classified Annual Salary Scale – Non-Exempt Schedule .....	E-61
Fiscal Year 2006 City of Tucson Classified Annual Salary Scale Police – Non-Exempt Schedule.....	E-62
Fiscal Year 2006 City of Tucson Classified Annual Salary Scale Fire – Non-Exempt Schedule .....	E-62
Fiscal Year 2006 City of Tucson Classified Annual Salary Scale Hourly (Seasonal or Intermittent) Schedule – Non-Exempt.....	E-63

## TABLE OF CONTENTS

---



### SECTION F CAPITAL BUDGET SUMMARY

Capital Budget Summary .....	F-1
Capital Budget Summary by Department - Table I .....	F-4
Capital Budget Summary by Funding Source - Table II .....	F-5
Capital Budget Summary of Operating Budget Impacts - Table III .....	F-7

### SECTION G CITY STRATEGIC PLAN

City Strategic Plan .....	G-1
City Strategic Plan Focus Areas and Strategies .....	G-3

### SECTION H RIO NUEVO

Rio Nuevo Project .....	H-1
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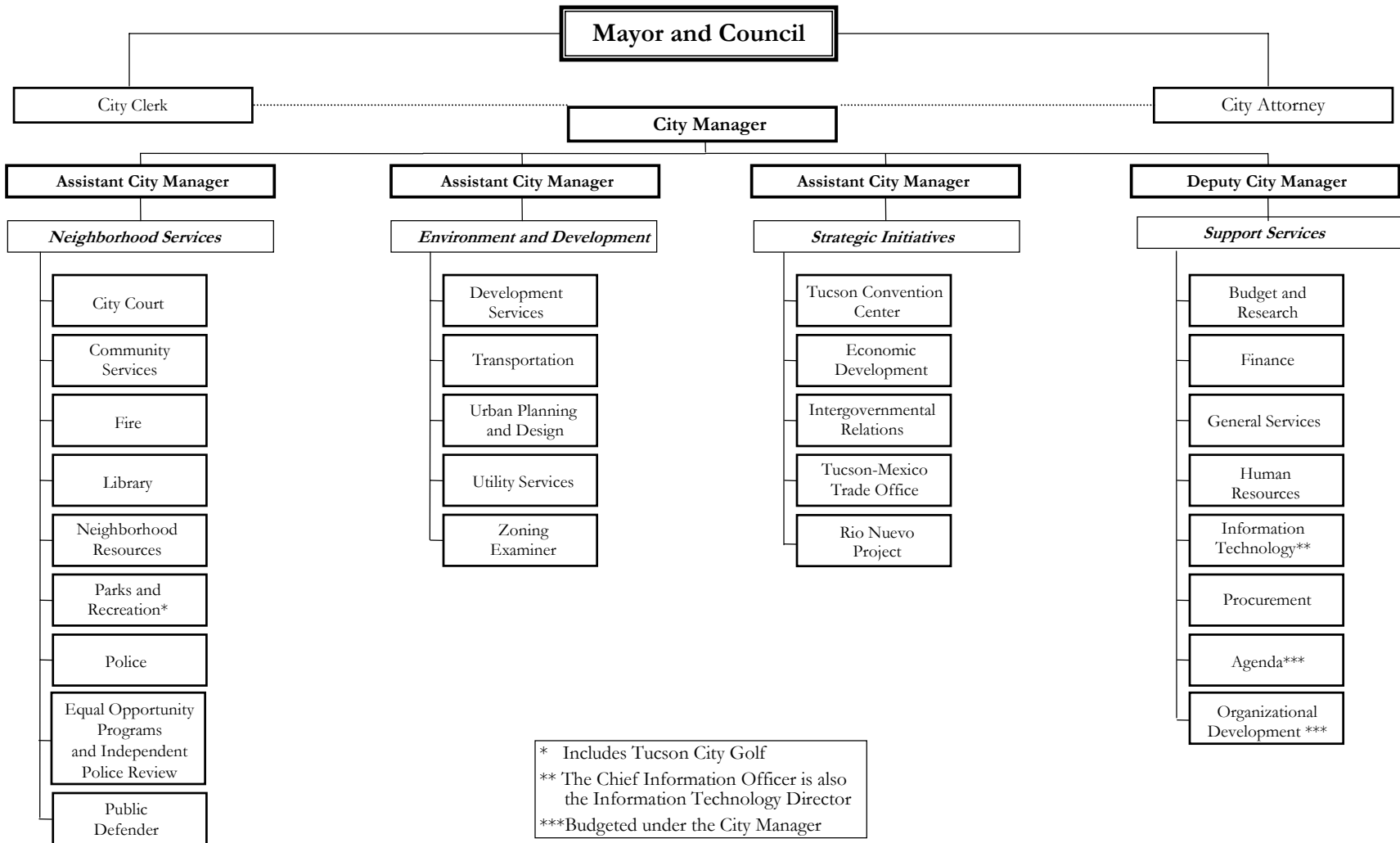
### SECTION I GLOSSARY

Glossary of Terms .....	I-1
Acronyms and Initialisms .....	I-7

### SECTION J INDEX

Index .....	J-1
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**CITY OF TUCSON  
ORGANIZATION CHART  
FISCAL YEAR 2006**





# CITY OF TUCSON

## OFFICIALS AND DIRECTORS

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### OFFICIALS

City Manager, *Mike Hein*

Deputy City Manager, *Michael D. Letcher*

Assistant City Manager, *Liz R. Miller*

Assistant City Manager, *Benny J. Young*

Assistant City Manager, *Karen Thoreson*

City Attorney, *Mike Rankin*

City Clerk, *Kathleen S. Detrick*

### NEIGHBORHOOD SERVICES

City Court, *Antonio Riojas*

Community Services, *M. Emily Nottingham*

Equal Opportunity Programs and Independent Police  
Review, *Liana Perez*

Fire, *Dan Newburn*

Library, *Nancy Ledeboer*

Neighborhood Resources, *Paul Swift*

Parks and Recreation, *Fred H. Gray, Jr.*

Police, *Richard Miranda*

Public Defender, *Charles Davies*

### ENVIRONMENT AND DEVELOPMENT

Development Services, *Ernest A. Duarte*

Transportation, *James W. Glock*

Urban Planning and Design, *Albert Elias*

Utility Services, *David Modeer*

Zoning Examiner, *Peter Gavin*

### STRATEGIC INITIATIVES

Economic Development, *Kendall Bert*

Intergovernmental Relations, *C. Mary Okoye*

Rio Nuevo Project, *Gregory Shelko*

Tucson Convention Center, *Richard Singer*

Tucson-Mexico Trade Office, *Augustine Garcia*

### SUPPORT SERVICES

Agenda, *Joan Stauch*

Budget and Research, *Michael D. Letcher (Acting)*

Finance, *J. Scott Douthitt*

General Services, *Ronald Lewis*

Human Resources, *Teri J. Traaen*

Information Technology and Chief Information  
Officer, *Christine O'Connor (Acting)*

Organizational Development, *Julie Edmonds-Mares*

Procurement, *Wayne A. Casper*

## **BIENNIAL BUDGET CALENDAR FISCAL YEAR 2006**

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Sequence of events in the budget-setting process for Fiscal Year 2006

October 25, 2004	Mayor and Council Study Session – Fiscal Year 2006 Budget Strategies.
February 22, 2005	Submission of the City Manager's Proposed Five-Year Capital Improvement Program Fiscal Years 2006 to 2010 and the Report from the Citizens Bond Project Oversight Committee to Mayor and Council.
March 1 and 8, 2005	Mayor and Council review and approval of the Five-Year Capital Improvement Program, Fiscal Years 2006 to 2010.
March 22, 2005	Mayor and Council Study Session – Fiscal Year 2006 Budget Strategies and Financial Sustainability.
April 19, 2005	Submission of the City Manager's Biennial Budget Recommended Update for Fiscal Year 2006 to Mayor and Council.
May 3, 2005	Public hearing on Biennial Budget Recommended Update for Fiscal Year 2006.
May 17, 24, and June 7, 2005	Mayor and Council Study Sessions for the purpose of discussing the Biennial Budget Recommended Update for Fiscal Year 2006.
June 7, 2005	Tentative Adoption of Biennial Budget Recommended Update for Fiscal Year 2006.
June 14, 2005	Truth in Taxation Hearing on primary property tax levy for Fiscal Year 2006.
June 14, 2005	Public Hearing on the Biennial Budget Update for Fiscal Year 2006 as Tentatively Adopted.
June 14, 2005	Special Mayor and Council meeting for the purpose of final budget adoption.
June 28, 2005	Adoption of Fiscal Year 2006 property tax levies.

## HOW TO USE THIS BUDGET

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This document guide outlines the City of Tucson's Fiscal Years 2005 and 2006 Biennial Budget Recommended Update for Fiscal Year 2006. Copies of the budget are available at all branches of the Tucson-Pima Public Library, the University of Arizona Main Library, Pima Community College branch libraries, the City Clerk's Office, and the Department of Budget and Research. In addition, the budget may be viewed on the City of Tucson Web site, <http://www.tucsonaz.gov>. Information may be obtained by calling the Department of Budget and Research at (520) 791-4551 or e-mailing the department at [budget&research@tucsonaz.gov](mailto:budget&research@tucsonaz.gov).

For Fiscal Year 2006 only one volume is used to present the recommended changes to the biennial budget. This document may be used with the adopted biennial budget document for Fiscal Years 2005 and 2006. The recommended update is organized as follows.

**City Manager's Message** - This section includes the letter from the city manager transmitting the biennial budget update to the Mayor and Council and an overview of the budget. In the transmittal letter, the city manager highlights the key policy issues and programs in the biennial budget. The overview includes the following:

- Where the Money Goes
- Staffing
- Where the Money Comes From
- Citizen Impacts
- State Set Spending Limit

**Recommendations** - This section summarizes the changes from the approved Fiscal Year 2006 budget to the recommended budget for both revenues and expenditures. Major changes are highlighted for each department.

**Legal Authorization** - State and local legal provisions are presented, including the process for budget adoption and setting the property tax, public hearings, and a property tax summary.

**Community Statistical Profile** - This section of the summary provides the reader with demographic information on Tucson and benchmark information that compares Tucson to comparable cities in the region.

**Summary Information** - Schedules contained in this section provide summary level information on the consolidated (operating and capital) city budget. Expenditure and revenue information, descriptions of funds, debt service information, staffing histories, and pay scales are summarized. This section is particularly helpful if the reader is interested in an overview of the city budget.

**Capital Budget Summary** - This section provides a summary of the first year, Fiscal Year 2006, of the Five-Year Capital Improvement Program.

**City Strategic Plan** - This section summarizes the strategic plan for the city including the process followed to identify the city's focus areas.

**Rio Nuevo** - This is a summary of the Rio Nuevo district budget. Rio Nuevo is not part of the city budget but is included for information purposes.

**Glossary** - The glossary defines terms and acronyms used in the budget.

**Index** - The index provides an alphabetical listing of the contents of the budget.

A separate document containing the capital budget detail is also available. The Proposed Five-Year Capital Improvement Program (CIP), Fiscal Years 2006 - 2010 includes an overview and department programs.

**DISTINGUISHED  
BUDGET PRESENTATION  
AWARD**



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Tucson  
Arizona**

For the Biennium Beginning

**July 1, 2004**

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an Award for Distinguished Budget Presentation to the City of Tucson for its Biennial Budget for the Fiscal Years beginning July 1, 2004 through June 30, 2006.

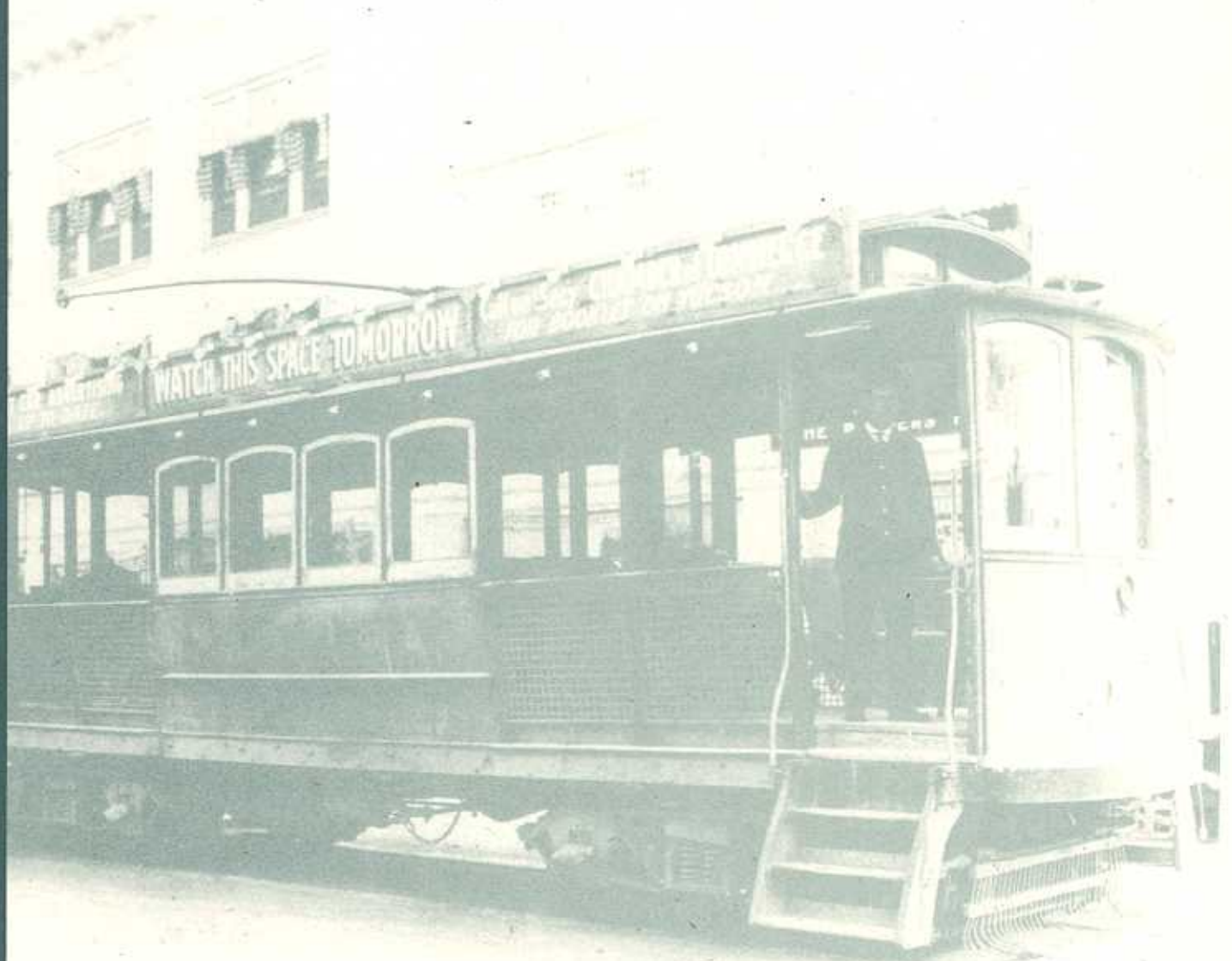
To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

The award is valid for a period of two years.



# SECTION A

## CITY MANAGER'S MESSAGE







# CITY OF TUCSON

## OFFICE OF THE CITY MANAGER

April 19, 2005

Honorable Mayor and Council Members:

It is with great pleasure that I transmit to you the Recommended Budget Update for Fiscal Year 2006. This is the second year of the Fiscal Years 2005 and 2006 Biennial Budget approved by the Mayor and Council last June. Fiscal Year 2006 continues much of the work begun in Fiscal Year 2005 in the areas of public safety and other services.

The total recommended budget is \$999 million, an increase of \$80.5 million from the approved budget for Fiscal Year 2006. While the operating budget decreased \$5.2 million, funding for the capital budget increased \$85.7 million; primarily funding carried forward from Fiscal Year 2005.

The most significant challenge addressed in this budget is funding for the Library. The approved budget for Fiscal Year 2006 was based on full funding of the Library system from the Pima County Library District tax. The current proposal is to transition funding to the Library District tax over a five-year period. This requires the city to contribute \$8 million from the general fund in Fiscal Year 2006. A combination of higher state revenue sharing, lower personnel costs, deferred technology upgrades, and use of savings from Fiscal Year 2005, provide the necessary funding for the city's share of the Library budget.

This budget funds market based salary adjustments, and other employee benefit requirements consistent with those already in the biennial budget. In response to rising fuel costs, a \$1.2 million increase is recommended.

Revenue increases are primarily based on growing demands for fee based services and continued economic growth. The secondary property tax rate will increase six cents per \$100 assessed valuation over the Fiscal Year 2005 rate based on a \$25 million bond sale this spring from the voter approved 2000 Bonds. The primary rate remains at 35 cents.

## **Continuing to Invest in Community**

The Fiscal Years 2005 and 2006 Biennial Budget included a series of initiatives that concentrated on our city's most pressing needs as expressed by the Mayor and Council and the community. The recommended update to Fiscal Year 2006 funds the following initiatives:

- ♦ The Police Department will add 23 officers, and an additional four officers in the recommended budget for a total increase of 27 officers compared to Fiscal Year 2005. This will bring our funded police officer staffing to 1,028. The total cost of the new officers and related support staff is \$2.7 million.
- ♦ Fire and paramedic services will be improved with the addition of a new ladder company and a paramedic company with 21 officers. Fire safety inspections will continue to be addressed with the addition of four inspectors. The combined cost of \$1.6 million was part of the Fiscal Year 2006 approved budget.
- ♦ This budget adds \$0.9 million and 24.25 positions to open and staff new or expanded Parks and Recreation facilities built with bond funds. Planned Parks and Recreation fee increases are not included in this recommendation.
- ♦ Library service improvements totaling approximately \$2 million with 25.5 new positions were included in the approved budget contingent on increased funding from Pima County. The current proposal to transition to full funding from the Pima County Library District tax still allows the city to continue with these service improvements.

Funding to upgrade the Business License Management System approved for Fiscal Year 2006 is now recommended for deferral to Fiscal Year 2007. This change will help fund the city's contribution to the Library system in Fiscal Year 2006. The budget for Fiscal Year 2006 also does not include funding to continue the aggressive roadway resurfacing program begun in Fiscal Year 2005. This is an issue that will be a priority in developing a long-term financial sustainability plan (discussed below).

Also, a recent budget issue currently being evaluated is the cost of complying with the Department of Justice's audit of the city's compliance with Americans with Disabilities Act (ADA) requirements. Prior to budget adoption, staff will report on the cost and funding options to resolve compliance issues.

## **Long-Term Financial Sustainability**

If the city is to move forward in meeting growing service demands in areas such as public safety, transportation, and other core services, a long-term approach is needed to financial sustainability. Current city revenues do not cover some existing core service needs and will not keep up with cost of improving core service delivery as our community grows in the future. A financial sustainability plan will provide a strategic framework and clear benchmarks for addressing future service needs. Such a plan will provide the community with a concise picture of the city's future needs and assist the Mayor and Council in developing a plan of action to address current and future core service needs of the City. The financial sustainability plan will be developed as part of the Fiscal Years 2007 and 2008 biennial budget.

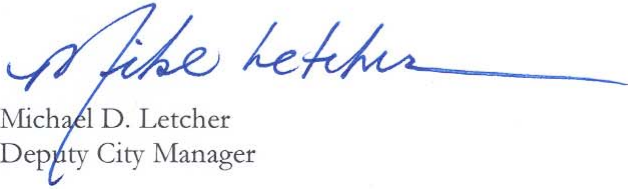
## Conclusion

The recommended update to the Fiscal Year 2006 budget continues to fund the service initiatives approved by the Mayor and Council as part of the biennial budget. More than \$7 million is budgeted to add police officers, firefighters, and paramedics and to open new Library branches and Parks and Recreation facilities. In addition, funding for the Library system is based on a transition to full funding by the Library District over the next five years. The cost of additional services are covered with existing fees and tax rates with only a modest increase in the secondary property tax rate needed to pay the debt service on voter authorized bonds. I want to thank the Budget and Research Department, members of the Executive Leadership Team, and city staff that played a key role in developing the recommendations for the Fiscal Year 2006 budget.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Mike Hein", followed by a long horizontal flourish.

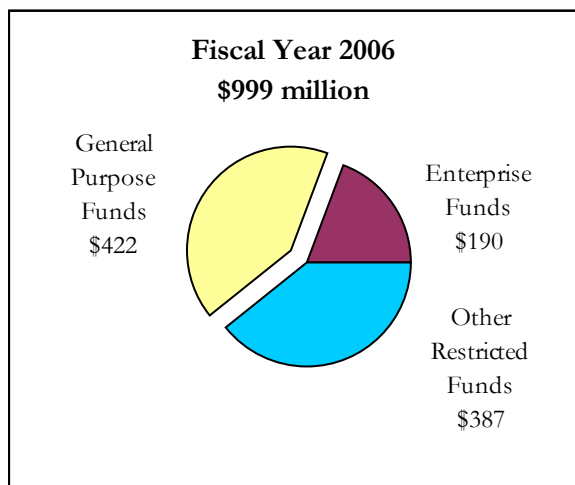
Mike Hein  
City Manager

A handwritten signature in blue ink, appearing to read "Mike Letcher", followed by a long horizontal flourish.

Michael D. Letcher  
Deputy City Manager

## BUDGET OVERVIEW

The Tucson City Charter requires that the City Manager submit a recommended budget to the Mayor and Council on or before the first Monday in May for the following fiscal year. The Mayor and Council review the City Manager's recommended budget and are required by the State of Arizona to adopt a balanced budget on or before the third Monday in August. For Fiscal Year 2006, the recommended update to the biennial budget is being submitted to the Mayor and Council on April 19. The Mayor and Council are scheduled to adopt the budget on June 14.



The Fiscal Year 2006 recommended budget, which totals just under \$1 billion dollars, is the second year of the biennial budget for Fiscal Years 2005 and 2006. Approximately 58% of this budget is for enterprise funds (\$190 million) and other restricted funds (\$387 million) such as state and federal grants as well as voter approved bonds and other financing. The remaining 42% or \$422 million is from general purpose funds. The total increase over Fiscal Year 2006 approved budget is \$80.5 million. While the operating budget decreased \$5.2 million, funding for the capital budget increased \$85.7 million; primarily funding carried forward from Fiscal year 2005.

The Fiscal Year 2006 budget also includes full funding of various initiatives begun in Fiscal Year 2005 as well as new initiatives for Fiscal Year 2006:

- ◆ \$2.4 million for 23 Police officers and support staff
- ◆ \$1.6 million to add a Fire ladder company and paramedic unit with a combined 21 officers, and four officers to expand fire safety inspections
- ◆ \$0.9 million to open new Parks and Recreation facilities with 24.25 staff
- ◆ \$2.0 million to open two library branches and expand hours and services with 22.5 staff

<b>Total Budget (\$ millions)</b>					
	<u>FY 2005 Budget</u>	<u>FY 2006 Approved Budget</u>	<u>Change</u>	<u>FY 2006 Recommended Budget</u>	<u>Change</u>
General Purpose Funds	\$394.9	\$409.8	\$14.9	\$422.4	\$12.6
Enterprise Funds	193.3	192.5	(0.8)	189.5	(3.0)
Other Restricted Funds	444.1	316.2	(127.9)	387.1	70.9
<b>Total</b>	1,032.3	918.5	(113.8)	999.0	80.5
Operating	\$783.7	\$795.4	11.7	790.2	(5.2)
Capital	248.6	123.1	(125.5)	208.8	85.7
<b>Total</b>	1,032.3	918.5	(113.8)	999.0	80.5

This Budget Overview is organized into four sections:

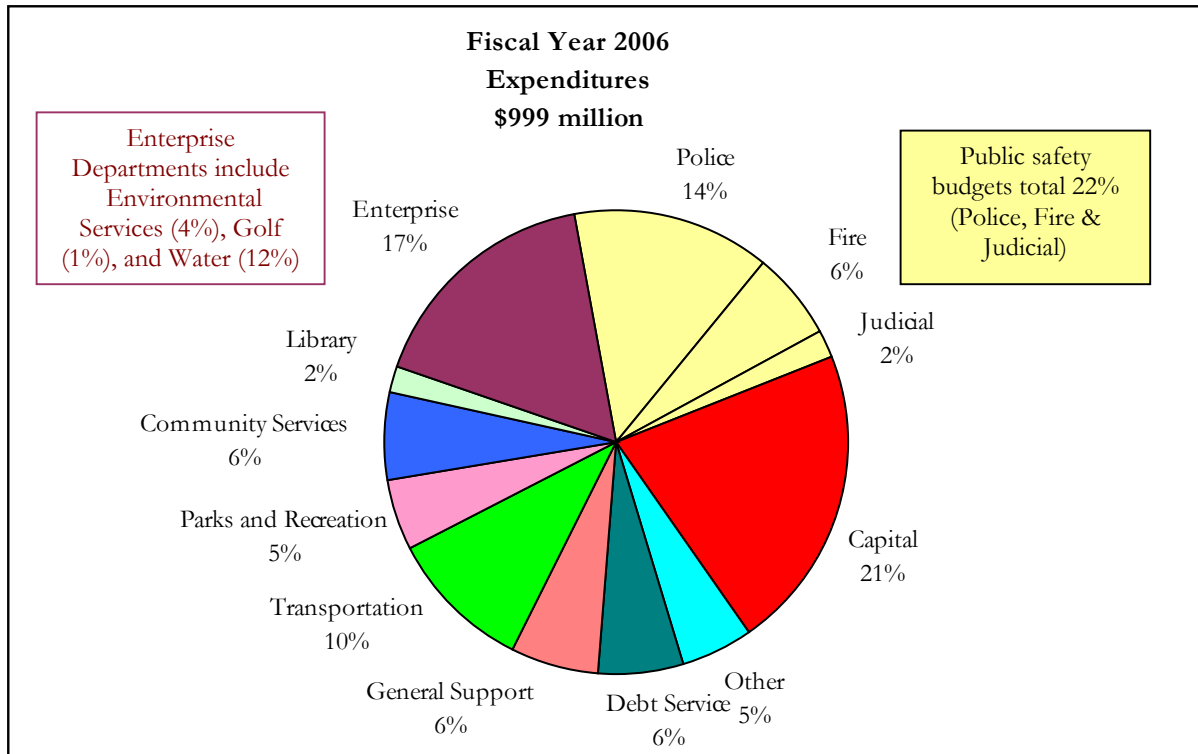
- ◆ Where the Money Goes – Recommended Expenditure Budget and Staffing
- ◆ Where the Money Comes From – Estimated Revenue Sources
- ◆ Citizen Impacts
- ◆ State Set Spending Limit

The overview will focus on the changes to Fiscal Year 2006 from the approved budget.

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## WHERE THE MONEY GOES

The city budget funds a broad range of services. Some departments are self-supporting and are included in the Enterprise group, which makes up 17% of the city budget. Public Safety, consisting of the Police, Fire, and Judicial departments, makes up 22%. The four largest departments providing other direct services to the community (Parks and Recreation, Transportation, Community Services, and Library) use 23% of the budget. The capital budget for all departments makes up 21%, and other departments, including general support and debt service, make up the remaining 17%.



## Expenditure Changes

<b>Expenditures (\$ millions)</b>					
	FY 2005	FY 2006 Approved	FY 2006 Recommended		
<b>Operating Budgets</b>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>	<u>Budget</u>	<u>Change</u>
Public Safety Department					
Police	\$128.0	\$135.6	\$7.6	\$138.0	\$2.4
Fire	56.9	62.1	5.2	63.0	0.9
Judicial	20.2	21.3	1.1	21.4	0.1
<b>Public Safety Sub-Total</b>	205.1	219.0	13.9	222.4	3.4
Enterprise Departments					
Golf	10.7	11.0	0.3	10.9	(0.1)
Utility Services					
Environmental Services	32.1	35.9	3.8	37.1	1.2
Tucson Water	114.6	118.6	4.0	118.9	0.3
<b>Enterprise Sub-Total</b>	157.4	165.5	8.1	166.9	1.4
Other Departments					
Transportation	121.0	96.0	(25.0)	95.9	(0.1)
Community Services	82.1	78.4	(3.7)	65.9	(12.5)
Library	20.4	23.5	3.1	23.5	-0-
Parks and Recreation	44.4	46.4	2.0	46.0	(0.4)
General Support*	60.8	65.0	4.2	64.7	(0.3)
Debt Service	48.2	57.4	9.2	57.0	(0.4)
Other	44.3	44.2	(0.1)	47.9	3.7
<b>Other Departments Sub-Total</b>	421.2	410.9	(10.3)	400.9	(10.0)
<b>Operating Budget Total</b>	783.7	795.4	11.7	790.2	(5.2)
<b>Capital Budget</b>	248.6	123.1	(125.5)	208.8	85.7
<b>Total</b>	<b>\$1,032.3</b>	<b>\$918.5</b>	<b>(\$113.8)</b>	<b>\$999.0</b>	<b>\$80.5</b>

\* Includes City Clerk Elections which decreases or increases \$1 to \$2 million depending on election year.

Significant changes by department or department category, from the Fiscal Year 2006 approved budget to the Fiscal Year 2006 recommended budget, are briefly noted below. Generally, department changes include adjustments to benefit rates such as pension and medical insurance. In addition, turnover results in a reduction as new employees are hired at a lower salary than employees that left the city, many of whom were near the top of the pay scale. Additional information on department budgets can be found in Section B, Recommendations.

### Operating Budget Changes

**Police.** The department's \$2.4 million increase is primarily the result of an increase to pensions of \$2.1 million for commissioned officers as required by the State police pension system. Increases in command capabilities adds \$0.4 million, and \$0.2 million is added for new grant funded positions. Other adjustments to personnel budgets result in a decrease from the approved budget.

**Fire.** As with Police, Fire's increase of \$0.9 million is the result of State pension requirements partially offset by reductions in other personnel budgets.

**Utility Services-Environmental Services.** Debt service on vehicle replacement and bonds to be sold in the spring of 2005 will add \$1.1 million, and rising fuel costs add \$0.3 million. Adjustments to personnel budgets result in a decrease from the approved budget.



**Utility Services-Tucson Water.** The \$0.3 million increase to the Water budget includes a number of offsetting factors. Delayed purchase of Central Arizona Project Water allocations will save \$1.1 million. Electric and natural gas costs add \$0.9 million and the new on-line bill payment system adds \$0.5 million.

**Community Services.** The Community Services budget is primarily driven by federal funding opportunities. Major decreases in Fiscal Year 2006 include \$11 million in HOPE VI grants and \$1.8 million for Community Development Block Grant (CDBG) funding.

**Library.** The Library budget is based on a proposed transition to full funding by the Pima County Library District over five years. The approved budget assumed full funding by the district in Fiscal Year 2006. This change results in a city general fund contribution of \$8 million with an offsetting reduction from the district through Pima County.

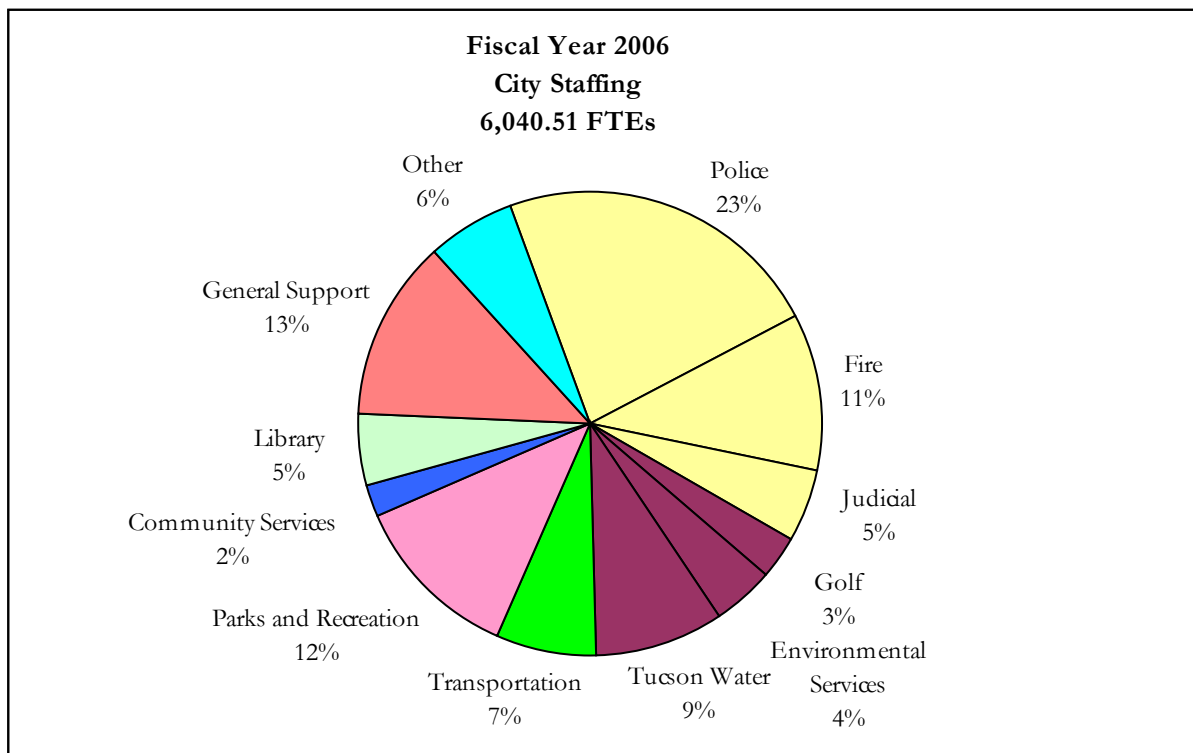
**Other.** All remaining departments and offices are included in this category: Mayor and Council, Development Services, Urban Planning and Design, Neighborhood Resources, Economic Development, Tucson Convention Center, Zoning Examiner, Tucson-Mexico Trade Office, Intergovernmental Relations, Outside Agencies, and General Expense. This category's budget increased by \$3.7 million. Much of the increase is for capacity to fund salary adjustments, rising fuel costs, and other increases offset by special revenues for a total of \$3.1 million. Increased capacity for grants are included in Urban Planning and Design and for facility improvements at the Tucson Convention Center.

### Capital Budget Changes

Most of the capital program decrease is due to carryforward of funds for projects budgeted in Fiscal Year 2005 that will not be completed by the end of that fiscal year. Capacity has been added for projects included in the May 2005 Water Bond Election.

## Staffing

The number of city full-time equivalent (FTE) positions in the recommended budget for Fiscal Year 2006 totals 6,040.51, an increase of 25 FTEs from the Fiscal Year 2006 approved budget.



## Staffing Changes

<b>City Staffing (Full-Time Equivalents)</b>					
	FY 2005 <u>Budget</u>	FY 2006 Approved <u>Budget</u>	<u>Change</u>	FY 2006 Recommended <u>Budget</u>	<u>Change</u>
Public Safety Departments					
Police	1,373.50	1,405.50	32.00	1,411.50	6.00
Fire	612.00	637.00	25.00	645.00	8.00
Judicial	283.30	283.30	-0-	283.30	-0-
<b>Public Safety Sub-Total</b>	<b>2,268.80</b>	<b>2,325.80</b>	<b>57.00</b>	<b>2,339.80</b>	<b>14.00</b>
Enterprise Departments					
Golf	154.75	154.75	-0-	154.75	-0-
Utility Services					
Environmental Services	263.00	263.00	-0-	262.00	(1.00)
Tucson Water	576.00	570.00	(6.00)	571.00	1.00
<b>Enterprise Sub-Total</b>	<b>993.75</b>	<b>987.75</b>	<b>(6.00)</b>	<b>987.75</b>	<b>-0-</b>
Other Departments					
Transportation	398.00	398.00	-0-	405.00	7.00
Community Services	153.00	153.00	-0-	152.50	(0.50)
Library	282.75	305.25	22.50	308.75	3.50
Parks and Recreation	669.75	694.00	24.25	697.00	3.00
General Support*	785.71	806.21	20.50	806.71	0.50
Other	345.50	345.50	-0-	343.00	(2.50)
<b>Other Departments Sub-Total</b>	<b>2,634.71</b>	<b>2,701.96</b>	<b>67.25</b>	<b>2,712.96</b>	<b>11.00</b>
<b>Total</b>	<b>5,897.26</b>	<b>6,015.51</b>	<b>118.25</b>	<b>6,040.51</b>	<b>25.00</b>
* Includes City Clerk Elections which decreases or increases 20.5 FTEs depending on election year.					

The major changes in positions by department or department category, from the Fiscal Year 2006 approved budget to the Fiscal Year 2006 recommended budget, are briefly noted below. For more detail, see the individual department pages in Section B, Recommendations.

**Police.** Four officers are added in addition to the 23 already included in the approved budget for Fiscal Year 2006. This brings the total number of commissioned officers to 1,028. In addition, a net increase of two civilian support staff are included for Fiscal Year 2006.

**Fire.** Eight civilian positions are added with the transfer of the hazardous waste program from Pima County. The approved Fiscal Year 2006 budget included a ladder company with 14 personnel a medic company with seven positions, and four inspectors.

**Transportation.** Six positions are transferred from Development Services and one administrative support position is added.

**Parks and Recreation.** Three positions are added for maintenance in addition to the 24.25 positions included in the approved budget for Fiscal Year 2006.

**Library.** Three and a half customer service positions are added for Fiscal Year 2006 in addition to the 22.5 already included in the Fiscal Year 2006 approved budget.

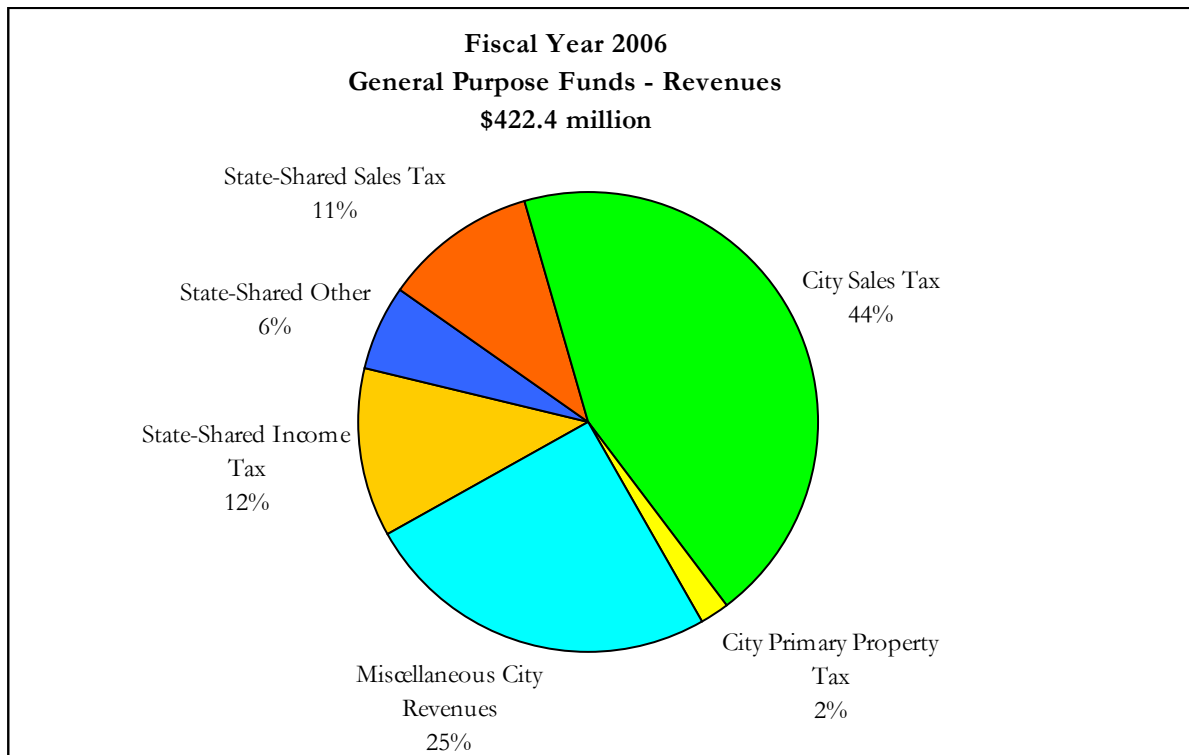
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## WHERE THE MONEY COMES FROM

There are three major revenue groups in the city budget: 1) general purpose funds, 2) restricted enterprise funds, and 3) other restricted funds. This section of the overview will first discuss general purpose fund revenues, followed by the restricted funds, including enterprise funds.

### General Purpose Fund Revenues

General purpose funds include revenues that the Mayor and Council have full discretion to allocate. It is used for basic city services, such as police and fire protection, mass transit service, and parks and recreational opportunities. Revenues that can be used for general purposes come either from city-generated revenue or state-shared revenue. In Fiscal Year 2006 the city's 2% sales tax is the largest source of general purpose funds (44%) with an additional 29% from state-shared revenues such as the state's 5.6% sales tax and income taxes. The 25% in Miscellaneous City Revenues consists of local taxes and fees. The primary property tax only provides 2% of the general purpose funds budget.



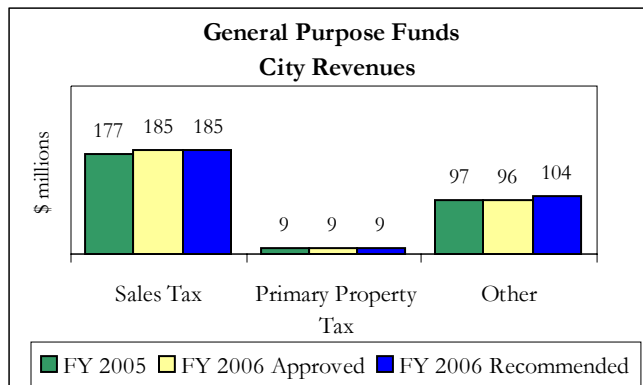
In general, the projected revenues for both Fiscal Year 2006 anticipate continued economic growth. Major changes from the approved budget for Fiscal Year 2006 are summarized in the following table and discussion. Additional information is available in Section E, Summary Information.

## Revenue Changes – General Purpose Funds Budget

<b>General Purpose Funds Revenues (\$ millions)</b>					
	FY 2005 Budget	FY 2006 Approved Budget	Change	FY 2006 Recommended Budget	Change
<b>State-Shared Revenues:</b>					
Income Tax	\$44.9	\$49.2	\$4.3	\$50.9	\$1.7
Sales Tax	43.2	45.3	2.1	47.7	2.4
Other	24.0	25.0	1.0	25.8	0.8
<b>State-Shared Sub-Total</b>	<b>112.1</b>	<b>119.5</b>	<b>7.4</b>	<b>124.4</b>	<b>4.9</b>
<b>City Revenues:</b>					
Sales Tax	176.6	185.4	8.8	184.5	(0.9)
Primary Property Tax	8.8	9.2	0.4	9.1	(0.1)
Other	97.4	95.7	(1.7)	104.4	8.7
<b>City Sub-Total</b>	<b>282.8</b>	<b>290.3</b>	<b>7.5</b>	<b>298.0</b>	<b>7.7</b>
<b>Total</b>	<b>\$394.9</b>	<b>\$409.8</b>	<b>\$14.9</b>	<b>\$422.4</b>	<b>\$12.6</b>

\* The City Sales Tax includes a transfer of \$0.9 million to Other (Licenses and Permits) based on a change in accounting for certain cable revenues.

**City Revenues.** City-generated revenues account for 71% of the general purpose funds budget. The total of \$298 million for Fiscal Year 2006 is an increase of \$7.7 million over the approved budget.



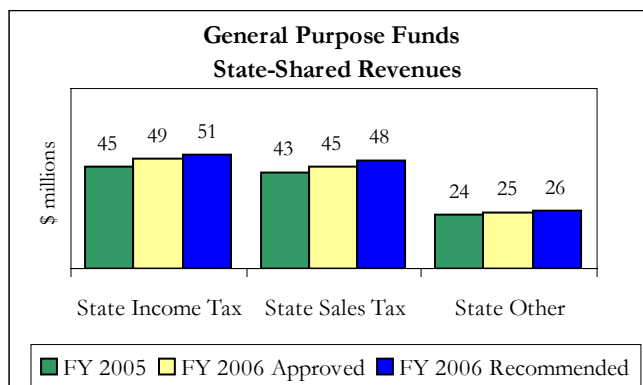
The city's sales tax is highly dependent on the local economy and is projected to grow 5% in Fiscal Year 2006. The recommended budget includes \$184.5 million, which was adjusted for a transfer of \$0.9 million to the other category (Licenses and Permits) for cable revenues no longer collected as sales tax.

The \$8.7 million increase in the Other category is primarily the result of carryforward (\$4.1 million)

and a \$3.4 million use of fund balance. The transfer of cable revenues from the sales tax makes up the remainder of the increase.

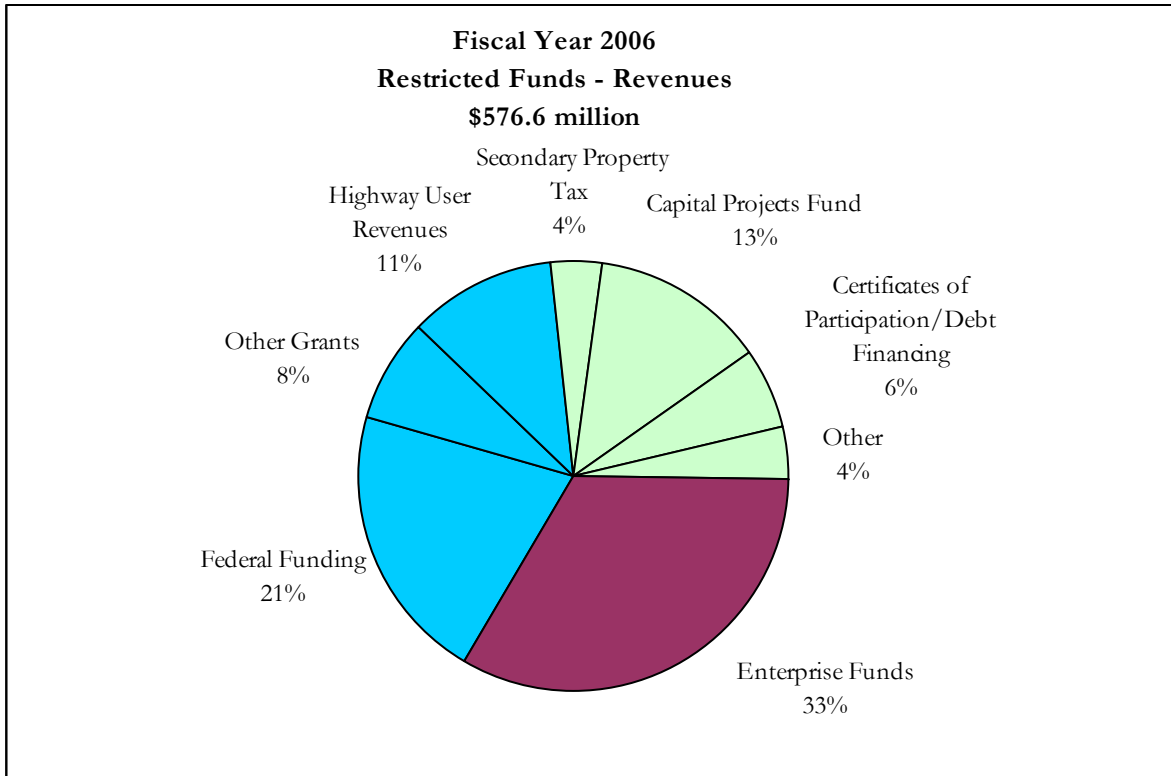
**State-Shared Revenues.** Annually, the State of Arizona distributes a portion of its revenue receipts to cities and

counties. The state-shared revenues that are used by the city for general purposes are state income tax, state sales tax, state auto lieu tax, and lottery proceeds. For Fiscal Year 2006, state-shared revenues are projected at \$124.4 million. The increase of \$4.9 million over the approved Fiscal Year 2006 budget is based on projected state revenues. Compared to Fiscal Year 2005, state sales taxes are projected to grow 5.9% while income tax distributions will increase 13.6%.



## Restricted Funds Budget – Revenues

Restricted fund revenues are divided between (1) grants and shared revenues and contributions from other state and local governments; (2) self supporting enterprise funds; and (3) city revenues that are collected for a specific purpose, certificates of participation and other debt financing, and reserves set aside for a particular requirement.



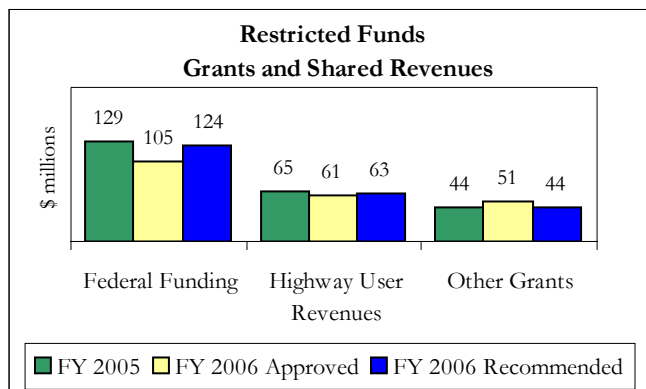
In the recommended Fiscal Year 2006 budget, the restricted funds revenues total \$576.6 million, a \$67.9 million increase over the approved budget.

## Revenue Changes – Restricted Funds Budget

<b>Restricted Fund Revenues (\$ millions)</b>					
	FY 2005 <u>Budget</u>	FY 2006 Approved <u>Budget</u>	<u>Change</u>	FY 2006 Recommended <u>Budget</u>	<u>Change</u>
Grants and Shared Revenues:					
Federal Funding	\$129.4	\$104.5	(\$24.9)	\$124.2	\$19.7
Highway User Revenues	64.7	61.3	(3.4)	63.2	1.9
Other Grants	44.3	50.9	6.6	44.0	(6.9)
<b>Grants and Shared Revenues Sub-Total</b>	<b>238.4</b>	<b>216.7</b>	<b>(21.7)</b>	<b>231.4</b>	<b>14.7</b>
Restricted City Revenues:					
Secondary Property Tax	21.3	23.1	1.8	24.2	1.1
Capital Projects Fund	93.0	37.4	(55.6)	74.9	37.5
Certificates of Participation/Debt Financing	70.2	19.3	(50.9)	32.0	12.7
Other	21.2	19.7	(1.5)	24.6	4.9
<b>Restricted City Sub-Total</b>	<b>205.7</b>	<b>99.5</b>	<b>(106.2)</b>	<b>155.7</b>	<b>56.2</b>
Enterprise Funds					
Environmental Services	41.9	38.7	(3.2)	37.8	(0.9)
Golf	14.1	11.0	(3.1)	12.5	1.5
Water	137.3	142.8	5.5	139.2	(3.6)
<b>Enterprise Funds Sub-Total</b>	<b>193.3</b>	<b>192.5</b>	<b>(0.8)</b>	<b>189.5</b>	<b>(3.0)</b>
<b>Total Restricted</b>	<b>\$637.4</b>	<b>\$508.7</b>	<b>(\$128.7)</b>	<b>\$576.6</b>	<b>\$67.9</b>

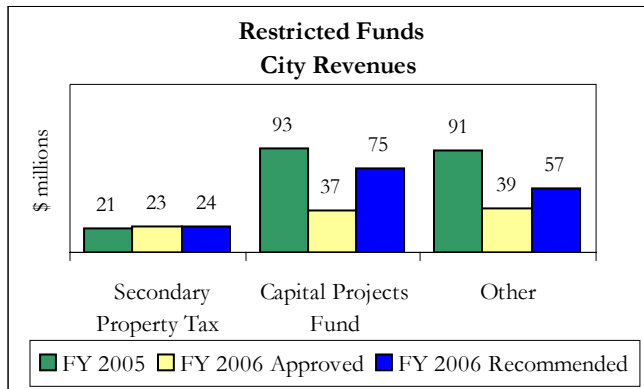
Following are brief explanations of the major revenue differences between the Fiscal Year 2006 Recommended Budget and the Fiscal Year 2006 approved budget. For more detail, see Section E.

**Grants and Shared Revenues.** Revenues from grants and shared revenues, which include highway user revenues and other local contributions such as the Pima County Library Tax, total \$231.4 million in Fiscal Year 2006, an increase of \$14.7 million from the approved budget. Federal grants will increase a total of \$19.7 million as federally funded programs and projects are carried forward from the prior year and adjustments are made consistent with federal allocations. This increase is partially offset by a \$6.9 million decrease in state and local grants and contributions primarily the result of an \$8 million reduction in the Pima County Library District Tax contribution. The Fiscal Year 2006 approved budget assumed full funding of the Library system from the Library District Tax. The proposed plan calls for a five-year transition and requires an \$8 million contribution from city general funds. Highway User Revenue Funds are anticipated to increase approximately \$1.9.



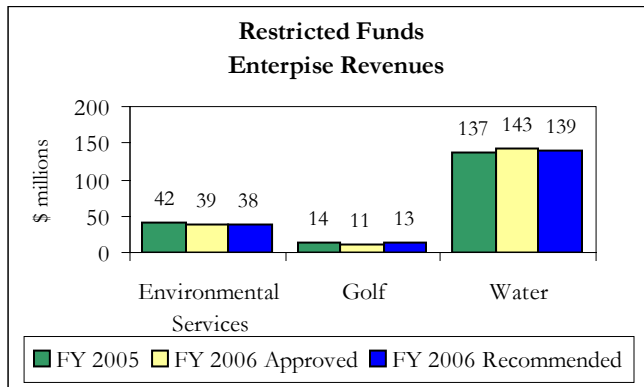


**City Revenues.** This group includes the Secondary Property Tax, Capital Projects Fund (Bonds), and other



restricted sources such as Transportation Enterprise Area Management (TEAM), reserves, certificates of participation, and other debt financing. The secondary property tax is driven by both the sale of new general obligation bonds, refinancing of existing bonds, and interest rates. The \$1.1 million increase in Fiscal Year 2006 is due to the sale of \$25 million in general obligation bonds. The increase in the capital projects fund and the certificates of participation and other financing is primarily the result of carryforward from the prior year. Other funding includes contribution for zoo and transportation improvements.

**Enterprise Revenues.** This group includes both operating revenues and certificates of participation or other



financing, but excludes bond funds. Funding for the three enterprise departments will decrease a net \$3.0 million in Fiscal Year 2006 from the approved budget. Reductions in capital requirements in Utility Services are partially offset by revenues based on higher demands for services. Golf funding will increase \$1.5 million from certificates of participation.

## CITIZEN IMPACTS

### Changes to the City's "Bill for Services"

The cost impact to the typical homeowner from the recommended Fiscal Year 2006 budget will be approximately \$12.36 per month.

#### FY 2006 City "Bill for Services" for the Typical Homeowner<sup>1</sup>

	Approved	Recommended	Increase
City Property Taxes <sup>1</sup>	\$ 120.13	\$ 124.26	\$ 4.13
City Sales Tax <sup>2</sup>	371.00	371.00	-0-
Environmental Service Fee	168.00	168.00	-0-
Tucson Water <sup>3</sup>	<u>218.18</u>	<u>218.18</u>	<u>-0-</u>
Annual Total	\$ 877.31	\$ 881.44	\$ 4.13
Per Month	\$ 73.11	\$ 73.45	\$ 0.34

<sup>1</sup>Typical Homeowner Definition: Owner-occupied residence, within the Tucson Unified School District, with an assessed value of \$100,000.

<sup>2</sup>Assumes an average income of \$38,000 with approximately 53% of net income (after federal and state income taxes) spent on taxable purchases based on the U.S. Department of Labor Consumer Expenditure Survey.

<sup>3</sup>The water bill figures assume a single-family residence with 12 Ccf usage per month.

**City Property Taxes.** The city imposes two taxes on the assessed value of property within the city limits: (1) a primary property tax for general purposes, and (2) a secondary property tax to pay off general obligation bond debt.

#### FY 2006 City of Tucson Property Tax Comparisons

	FY 2005	FY 2006 Approved	FY 2006 Recommended	FY 2006 Changes	Change from FY 2005
<b>Rate Changes</b>					
Primary	\$ 0.3531	\$ 0.3480	\$ 0.3531	\$ 0.0051	\$ -0-
Secondary	<u>0.8316</u>	<u>0.8533</u>	<u>0.8895</u>	<u>0.0362</u>	<u>0.0579</u>
Total	\$ 1.1847	\$ 1.2013	\$ 1.2426	\$ 0.0413	\$ 0.0579
<b>Tax Bill Changes*</b>					
Primary Property Tax	\$ 35.31	\$ 34.80	\$ 35.31	\$ 0.51	\$ -0-
Secondary Property Tax	<u>83.16</u>	<u>85.33</u>	<u>88.95</u>	<u>3.62</u>	<u>5.79</u>
Total	\$ 118.47	\$ 120.13	\$ 124.26	\$ 4.13	\$ 5.79
% Change				3.4%	4.9%

The total property tax rate for the Fiscal Year 2006 Recommended Budget is \$1.2426 per \$100 of assessed valuation for an increase of \$0.0579 over Fiscal Year 2005. The primary property tax rate will be maintained at the same level as Fiscal Year 2005. The total increase is in the secondary rate which based on the debt service requirements of existing general obligation bonds and the \$25 million spring of 2005 planned sale. For a house with a \$100,000 assessed valuation, the combined tax would increase \$5.79 for the year.

**City Sales Tax.** The Tucson City Charter authorizes a sales tax on many business transactions within the city. However, certain transactions, such as food purchased for home consumption, rent collected on residential units, and advertising, are exempted from the city sales tax. City sales tax collections can be used for any general purpose. No change to the current city sales tax rate of 2% is recommended in the budget for Fiscal Year 2006.

**Charges for Services.** There are no fees for services that are recommended for increase in Fiscal Year 2006.

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## STATE SET SPENDING LIMIT

Tucson, like all Arizona cities, is subject to a spending limit imposed by the state constitution. For revenues that are subject to the limitation, the Mayor and Council's adopted budget cannot exceed the expenditure limitation regardless of how much money may be available. Excluded from the limitation are funding sources such as bond proceeds and related debt service, interest earnings, and federal grants.

<b>State-Set Expenditure Limit for the City of Tucson (\$ millions)</b>		
(\$ millions)	FY 2005	FY 2006
Budgeted Expenditures	\$ 1,032	\$ 999
Less Exclusions	(506)	(453)
Subject to Spending Limit	\$ 526	546
EEC Official Limit	\$ 527	\$ 547
<b>Under/(Over) Official Limit</b>	<b>\$ 1</b>	<b>\$ 1</b>

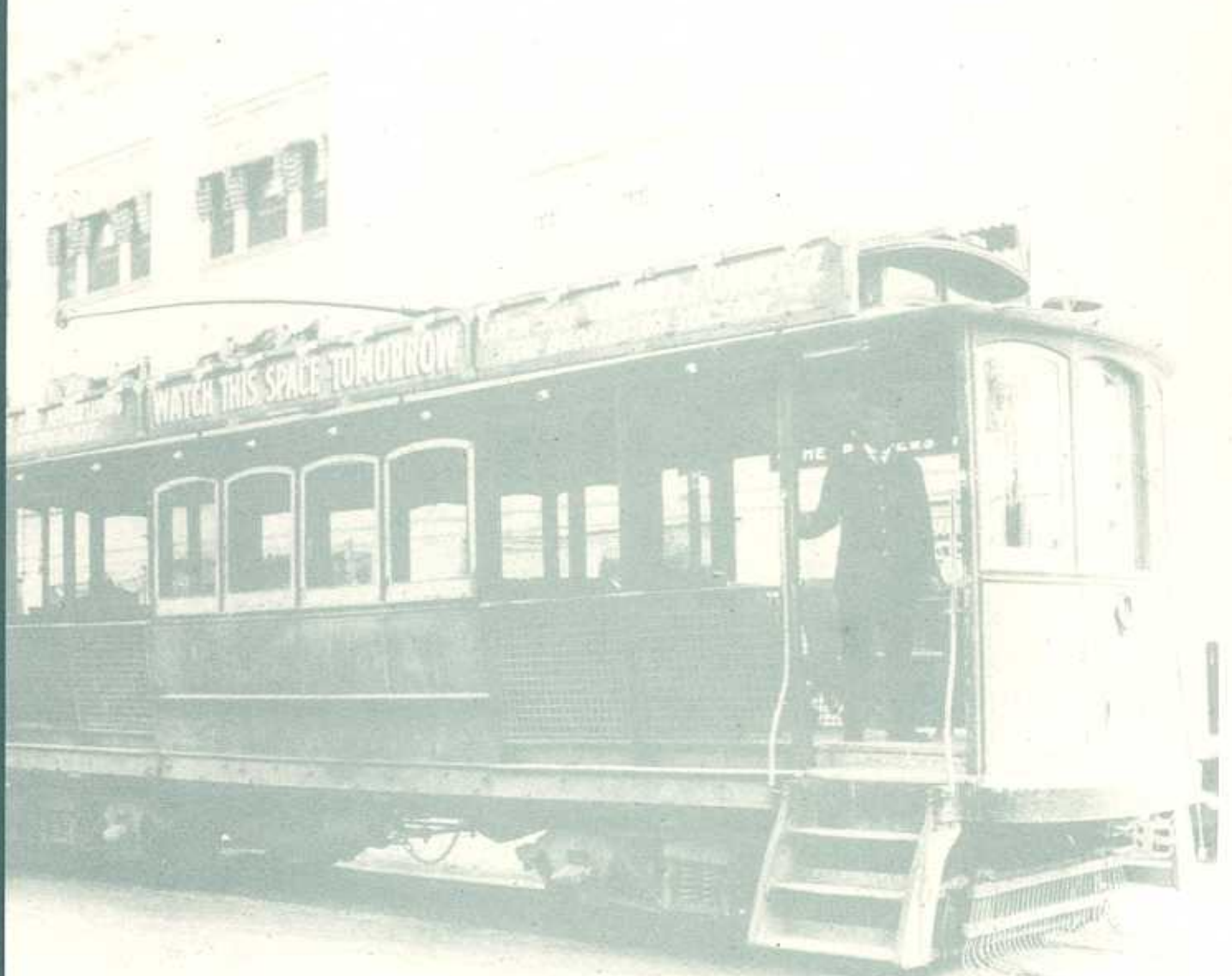
Each year the spending limit is set by the state's Economic Estimates Commission (EEC), which takes into consideration annual population growth and inflation. Cities are allowed to override the EEC spending limit only with prior approval of the voters. The voters of Tucson authorized an override of \$0.8 million in 1981, and an additional \$46.9 million in 1987. With these overrides, the city has been able to stay under the state-set spending limit. However, it is anticipated that an override election will be required in November to meet growing demands for public safety and to operate new facilities.

will be under the state's official spending limit by \$1 million.

For Fiscal Year 2006, the recommended budget



# SECTION B RECOMMENDATIONS



### Significant Adjustments to the Fiscal Year 2006 Budget

	Approved	Recommended	Change
Operating Budget			
General Purpose Funds	\$ 408,807,570	\$ 417,247,810	\$ 8,440,240
Enterprise Funds	165,414,030	166,907,440	1,493,410
Other Restricted Funds	221,219,360	206,015,300	(15,204,060)
<b>Total Operating Budget</b>	<b>\$ 795,440,960</b>	<b>\$ 790,170,550</b>	<b>\$ (5,270,410)</b>
Capital Budget	123,110,400	208,850,600	85,740,200
<b>Total</b>	<b>\$ 918,551,360</b>	<b>\$ 999,021,150</b>	<b>\$ 80,469,790</b>

Expenditures		Revenues	
<b>Base Changes to General Purpose Expenditures</b>		<b>Base Changes to General Purpose Revenues</b>	
Public Safety Pension Increase	3,363,660	Revised Revenue Estimates	4,388,240
Fuel Cost Increase	870,000		
Other Miscellaneous	154,580		
Subtotal	4,388,240	Subtotal	4,388,240
<b>Adjustments Related to Library Funding</b>		<b>Adjustments Related to Library Funding</b>	
City Contribution to Library Fund	\$ 8,000,000		
Reductions to Expenditures			
Personnel savings	(1,000,000)	Use of Fiscal Year 2005 Savings	\$ 2,500,000
Medical Insurance Savings	(1,198,000)	Increased State Shared Revenues	1,482,000
Defer Business License System	(1,750,000)	(based on League of Cities and Towns estimate)	
Subtotal	4,052,000	Miscellaneous Revenue Revisions	70,000
Subtotal	4,052,000	Subtotal	4,052,000
<b>Total General Purpose Expenditures</b>	<b>\$ 8,440,240</b>	<b>Total General Purpose Revenues</b>	<b>\$ 8,440,240</b>
Enterprise Department Operations	1,493,410	Enterprise Revenues/Funding	1,493,410
Other Restricted Operations	(15,204,060)	Other Restricted Funding	(15,204,060)
Capital Projects	85,740,200	Capital Projects	85,740,200
<b>Total Expenditure Adjustments</b>	<b>\$ 80,469,790</b>	<b>Total Revenue Adjustments</b>	<b>\$ 80,469,790</b>



Revenue Adjustments to the Fiscal Year 2006 Budget			
	Approved	Recommended	Change
Primary Property Tax	\$ 9,161,820	\$ 9,084,560	\$ (77,260)
Secondary Property Tax	23,098,280	24,235,450	1,137,170
Business Privilege Tax (City Sales Tax)	185,400,000	184,540,000	(860,000)
Other Local Taxes	25,680,000	25,950,000	270,000
Licenses and Permits	19,466,300	21,066,700	1,600,400
Fines, Forfeitures, and Penalties	13,155,160	13,375,330	220,170
Use of Money and Property	3,820,760	5,036,990	1,216,230
State Income Tax (State Revenue Sharing)	49,230,000	50,930,000	1,700,000
State Sales Tax	45,340,000	47,670,000	2,330,000
Highway User Revenue Funds	51,298,800	50,510,000	(788,800)
Other Shared Taxes and Grants	76,236,200	69,870,780	(6,365,420)
Federal Grants	107,148,550	126,523,720	19,375,170
Charges for Services	41,402,260	40,397,390	(1,004,870)
Non-Revenue Receipts	9,232,050	14,546,170	5,314,120
Enterprise Funds			
Environmental Services	38,712,470	37,860,090	(852,380)
Golf	10,987,510	12,478,050	1,490,540
Water	142,751,050	139,178,300	(3,572,750)
Capital Funds (Bonds)	37,382,900	74,933,900	37,551,000
Certificates of Participation	19,314,700	31,952,700	12,638,000
Brought Forward and Use of Fund Balance	9,732,550	18,881,020	9,148,470
<b>Total</b>	<b>\$ 918,551,360</b>	<b>\$ 999,021,150</b>	<b>\$ 80,469,790</b>
<b>Discussion of Major Revenue Adjustments</b>			
			<b>Change</b>
Secondary Property Tax			\$ 1,137,170
The secondary property tax is based on the general obligation bond debt service, which will increase with the projected \$25 million bond sale in May 2005. The secondary property tax rate will increase approximately four cents from the approved rate of 89 cents.			
Business Privilege Tax			(860,000)
Primarily transfer of sales tax equivalent paid by cable providers to Licenses and Permits.			
Licenses and Permits			1,600,400
Transfer of sales tax equivalent paid by cable providers from Business Privilege Tax and growth in franchise fee collections.			

## Revenue Adjustments to the Fiscal Year 2006 Budget

Discussion of Major Revenues Adjustments (Continued)	Change
Use of Money and Property Most of this change is the result of increased rental income including revenues from the Pennington parking garage. Interest earnings are also projected to grow based on higher interest rates.	\$ 1,216,230
State Income Tax (State Revenue Sharing) Increased distribution based on Fiscal Year 2004 income tax collections.	1,700,000
State Sales Tax Increased distribution based on strong economic recovery.	2,330,000
Highway User Revenue Funds Decreased distribution based on lower growth in revenues.	(788,800)
Other Shared Taxes and Grants This primarily reflects the change in Library funding provided by Pima County from full funding by the Library District to the proposed transition to full funding. Increases to the distribution of State auto lieu taxes and other grants partially offset the \$8 million library funding decrease.	(6,365,420)
Federal Grants Grants used to fund capital projects will increase based on the implementation of those projects.	19,375,170
Charges for Services Anticipated Parks and Recreation fee increases in both Fiscal Years 2005 and 2006 have been put on hold.	(1,004,870)
Non-Revenue Receipts This increase consists of \$4.2 million in contributions for the zoo and roadway improvements and \$1 million in capacity to be used in the event revenues become available during the year.	5,314,120
Enterprise Funds Environmental Services - reductions in certificates of participation and other funding sources partially offset by growth in service demand.	(852,380)
Golf - use of certificates of participation for Silverbell Golf Course improvements.	1,490,540
Water - reductions in capital spending from recurring revenues (to be offset by bonds if approved by the voters in the May 2005 election).	(3,572,750)
Capital Funds (Bonds) Carry over of bond funded projects from Fiscal Year 2005 and capacity for water revenue bonds included in the May 2005 water bond election.	37,551,000
Certificates of Participation (COPs) Carry over of projects from Fiscal Year 2005.	12,638,000

## Revenue Adjustments to the Fiscal Year 2006 Budget

Discussion of Major Revenues Adjustments (Continued)	Change
Brought Forward and Use of Fund Balance	\$ 9,148,470
The increase in these funds is primarily due to the carryforward of capital projects and the use of Highway User Revenue Fund and other restricted reserves. In addition, anticipated savings of \$2.5 million from Fiscal Year 2005 are included to fund the city's contribution to the Library fund.	
Other Revenues Changes	412,910
Miscellaneous adjustments to various tax revenue projections.	
<b>Total Revenue Adjustments</b>	<b>\$ 80,469,790</b>

Expenditure Adjustments to the Fiscal Year 2006 Budget			
	Approved	Recommended	Change
<b>Operating</b>			
Elected and Official			
Mayor and Council	\$ 3,311,160	\$ 3,264,070	\$ (47,090)
City Manager	2,305,900	2,281,310	(24,590)
City Clerk	4,952,160	4,921,830	(30,330)
City Attorney	8,106,870	8,060,460	(46,410)
Sub-Total	18,676,090	18,527,670	(148,420)
Neighborhood Services			
City Court	10,319,980	10,447,460	127,480
Community Services	78,401,770	65,915,840	(12,485,930)
Fire	62,124,510	63,038,500	913,990
Library	23,510,080	23,485,830	(24,250)
Neighborhood Resources	2,572,230	2,515,570	(56,660)
Parks and Recreation	46,384,990	46,002,970	(382,020)
Tucson City Golf	10,987,510	10,863,050	(124,460)
Police	135,594,440	138,019,010	2,424,570
Office of Equal Opportunity Programs and Independent Police Review	686,010	740,020	54,010
Office of the Public Defender	2,881,300	2,813,750	(67,550)
Sub-Total	373,462,820	363,842,000	(9,620,820)
Environment and Development			
Development Services	10,496,460	10,513,910	17,450
Transportation	95,981,070	95,936,810	(44,260)
Urban Planning and Design	4,713,040	5,117,220	404,180
Utility Services			
Environmental Services	35,866,470	37,110,090	1,243,620
Tucson Water	118,560,050	118,934,300	374,250
Zoning Examiner	191,750	192,820	1,070
Sub-Total	265,808,840	267,805,150	1,996,310
Strategic Planning			
Tucson Convention Center	10,530,620	10,789,740	259,120
Office of Economic Development	1,850,470	1,683,000	(167,470)
Intergovernmental Relations	567,480	565,860	(1,620)
Tucson-Mexico Trade Office	1,433,020	1,541,230	108,210
Sub-Total	14,381,590	14,579,830	198,240

Expenditure Adjustments to the Fiscal Year 2006 Budget			
	Approved	Recommended	Change
<b>Operating (Continued)</b>			
Support Services			
Budget and Research	\$ 2,115,750	\$ 2,113,580	\$ (2,170)
Finance	10,910,640	10,844,310	(66,330)
General Services	23,790,440	23,548,400	(242,040)
Human Resources	2,816,080	2,854,660	38,580
Information Technology	13,965,420	13,890,050	(75,370)
Procurement	3,464,530	3,485,690	21,160
Sub-Total	57,062,860	56,736,690	(326,170)
Non-Departmental	66,048,760	68,679,210	2,630,450
<b>Total Operating</b>	<b>\$ 795,440,960</b>	<b>\$ 790,170,550</b>	<b>\$ (5,270,410)</b>
Capital	123,110,400	208,850,600	85,740,200
<b>Total Budget</b>	<b>\$ 918,551,360</b>	<b>\$ 999,021,150</b>	<b>\$ 80,469,790</b>

**Change from Fiscal Year 2006  
Approved to Recommended Budget**

<b>Mayor and Council</b>			
	<b>Approved</b>	<b>Recommended</b>	<b>Change</b>
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 3,311,160	\$ 3,264,070	\$ (47,090)
<b>Department Total</b>	<b>\$ 3,311,160</b>	<b>\$ 3,264,070</b>	<b>\$ (47,090)</b>
<b>Staffing Summary</b>			
Permanent	53.00	51.50	(1.50)
<b>Total Staffing</b>	<b>53.00</b>	<b>51.50</b>	<b>(1.50)</b>
		<b>Recommended Change</b>	
		<b>Staffing</b>	<b>Budget</b>
<b>Operating Budget Changes</b>			
Personnel		(1.50)	\$ (47,090)
Reorganization of City Clerk support results in a reduction of one courier and the transfer of a part-time secretary from Council-General Administration to City Clerk			
<b>Total Changes</b>		<b>(1.50)</b>	<b>\$ (47,090)</b>

**Change from Fiscal Year 2006  
Approved to Recommended Budget**

City Manager			
	Approved	Recommended	Change
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 2,305,900	\$ 2,281,310	\$ (24,590)
<b>Department Total</b>	<b>\$ 2,305,900</b>	<b>\$ 2,281,310</b>	<b>\$ (24,590)</b>
<b>Staffing Summary</b>			
Permanent	19.00	19.00	-0-
<b>Total Staffing</b>	<b>19.00</b>	<b>19.00</b>	<b>-0-</b>
		<b>Recommended Change</b>	
		<b>Staffing</b>	<b>Budget</b>
<b>Operating Budget Changes</b>			
Personnel			
Adjustments to update salaries and benefits		\$	(24,590)
<b>Total Changes</b>		<b>-0-</b>	<b>\$ (24,590)</b>

**Change from Fiscal Year 2006  
Approved to Recommended Budget**

<b>City Clerk</b>			
	<b>Approved</b>	<b>Recommended</b>	<b>Change</b>
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 4,952,160	\$ 4,921,830	\$ (30,330)
<b>Department Total</b>	<b>\$ 4,952,160</b>	<b>\$ 4,921,830</b>	<b>\$ (30,330)</b>
<b>Staffing Summary</b>			
Permanent	34.50	35.00	0.50
Non-Permanent	23.00	23.00	-0-
<b>Total Staffing</b>	<b>57.50</b>	<b>58.00</b>	<b>0.50</b>
		<b>Recommended Change</b>	<b>Budget</b>
		<b>Staffing</b>	
<b>Operating Budget Changes</b>			
Personnel			
Adjustments to update salaries and benefits		\$	(48,580)
Transfer one part-time position from Mayor and Council, Council-General Administration		0.50	18,250
<b>Total Changes</b>		<b>0.50</b>	<b>\$ (30,330)</b>



**Change from Fiscal Year 2006  
Approved to Recommended Budget**

City Attorney			
	Approved	Recommended	Change
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 7,341,720	\$ 7,276,880	\$ (64,840)
Federal Funding	409,560	424,700	15,140
Other Restricted Funding	355,590	358,880	3,290
<b>Department Total</b>	<b>\$ 8,106,870</b>	<b>\$ 8,060,460</b>	<b>\$ (46,410)</b>
<b>Staffing Summary</b>			
Permanent	106.00	106.00	-0-
<b>Total Staffing</b>	<b>106.00</b>	<b>106.00</b>	<b>-0-</b>
		<b>Recommended Change</b>	<b>Budget</b>
<b>Operating Budget Changes</b>			
Personnel			
Adjustments to update salaries and benefits		\$	(46,410)
<b>Total Changes</b>		<b>-0-</b>	<b>\$ (46,410)</b>

**Change from Fiscal Year 2006  
Approved to Recommended Budget**

City Court			
	Approved	Recommended	Change
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 9,553,640	\$ 9,680,090	\$ 126,450
Other Restricted Funding	766,340	767,370	1,030
<b>Department Total</b>	<b>\$ 10,319,980</b>	<b>\$ 10,447,460</b>	<b>\$ 127,480</b>
<b>Staffing Summary</b>			
Permanent	141.30	141.30	-0-
<b>Total Staffing</b>	<b>141.30</b>	<b>141.30</b>	<b>-0-</b>
		<b>Recommended Change</b>	
		<b>Staffing</b>	<b>Budget</b>
<b>Operating Budget Changes</b>			
Personnel			
Adjustments to update salaries and benefits		\$	127,480
<b>Total Changes</b>		<b>-0-</b>	<b>\$ 127,480</b>

**Change from Fiscal Year 2006  
Approved to Recommended Budget**

<b>Community Services</b>			
	<b>Approved</b>	<b>Recommended</b>	<b>Change</b>
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 3,963,620	\$ 3,963,610	\$ (10)
Federal Funding	70,673,560	58,204,050	(12,469,510)
Other Restricted Funding	3,764,590	3,748,180	(16,410)
<b>Department Total</b>	<b>\$ 78,401,770</b>	<b>\$ 65,915,840</b>	<b>\$ (12,485,930)</b>
<b>Staffing Summary</b>			
Permanent	153.00	145.50	(7.50)
Non-Permanent	-0-	7.00	7.00
<b>Total Staffing</b>	<b>153.00</b>	<b>152.50</b>	<b>(0.50)</b>
		<b>Recommended Change</b>	<b>Budget</b>
<b>Operating Budget Changes</b>			
Federal allocation of Community Development Block Grant (CDBG) Funds reduced			\$ (1,814,920)
Depot Plaza - HOPE VI funds not approved by federal government			(11,017,970)
Other federal and related funds and positions adjusted based on actual allocations		(0.50)	346,960
<b>Total Changes</b>		<b>(0.50)</b>	<b>\$ (12,485,930)</b>

**Change from Fiscal Year 2006  
Approved to Recommended Budget**

<b>Fire</b>			
	<b>Approved</b>	<b>Recommended</b>	<b>Change</b>
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 59,395,510	\$ 60,211,120	\$ 815,610
Other Restricted Funding	2,729,000	2,827,380	98,380
<b>Total Operating Budget</b>	<b>\$ 62,124,510</b>	<b>\$ 63,038,500</b>	<b>\$ 913,990</b>
Capital Budget			
General Obligation Bonds	\$ 480,000	\$ 2,681,400	\$ 2,201,400
Other Restricted Funding	-0-	920,000	920,000
<b>Total Capital Budget</b>	<b>\$ 480,000</b>	<b>\$ 3,601,400</b>	<b>\$ 3,121,400</b>
<b>Department Total</b>	<b>\$ 62,604,510</b>	<b>\$ 66,639,900</b>	<b>\$ 4,035,390</b>
<b>Staffing Summary</b>			
Commissioned	590.00	590.00	-0-
Civilian	47.00	55.00	8.0
<b>Total Staffing</b>	<b>637.00</b>	<b>645.00</b>	<b>8.0</b>
		<b>Recommended Change</b>	<b>Budget</b>
<b>Operating Budget Changes</b>		<b>Staffing</b>	
Personnel			
Impact of fire pension rate increase from 14.69% to 19.12%		\$	1,230,000
Other adjustments to update salaries and benefits			(316,010)
Transfer of Household Hazardous Waste Program from Pima County to be offset by revenues from Pima County and Environmental Services		8.0	-0-
<b>Total Operating Budget Changes</b>		<b>8.0</b>	<b>\$ 913,990</b>
<b>Capital Budget Changes</b>			
Adjustments to project budgets based on scheduled implementation and available funding		\$	3,121,400
<b>Total Capital Budget Changes</b>		<b>-0-</b>	<b>\$ 3,121,400</b>
<b>Total Changes</b>		<b>8.0</b>	<b>\$ 4,035,390</b>

**Change from Fiscal Year 2006  
Approved to Recommended Budget**

Library			
	Approved	Recommended	Change
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ -0-	\$ 8,000,000	\$ 8,000,000
Other Restricted Funding	23,510,080	15,485,830	(8,024,250)
<b>Total Operating Budget</b>	<b>\$ 23,510,080</b>	<b>\$ 23,485,830</b>	<b>\$ (24,250)</b>
Capital Budget			
General Obligation Bonds	\$ 125,000	\$ 439,000	314,000
<b>Total Capital Budget</b>	<b>\$ 125,000</b>	<b>\$ 439,000</b>	<b>\$ 314,000</b>
<b>Department Total</b>	<b>\$ 23,635,080</b>	<b>\$ 23,924,830</b>	<b>\$ 289,750</b>
<b>Staffing Summary</b>			
Permanent	249.00	252.50	3.50
Non-Permanent	56.25	56.25	-0-
<b>Total Staffing</b>	<b>305.25</b>	<b>308.75</b>	<b>3.50</b>
		<b>Recommended Change</b>	<b>Budget</b>
<b>Operating Budget Changes</b>			
Personnel			
Adjustments to update salaries and benefits		\$	(152,410)
Increase of 3.50 positions in Fiscal Year 2005 to improve customer service		3.50	128,160
Adjustment to funding based on proposed transition of Library funding to Pima County			
General Purpose Funds			8,000,000
Pima County Funding			(8,000,000)
<b>Total Operating Budget Changes</b>		<b>3.50</b>	<b>\$ (24,250)</b>
<b>Capital Budget Changes</b>			
Adjustments to project budgets based on scheduled implementation and available funding		\$	314,000
<b>Total Capital Budget Changes</b>		<b>-0-</b>	<b>\$ 314,000</b>
<b>Total Changes</b>		<b>3.50</b>	<b>\$ 289,750</b>

**Change from Fiscal Year 2006  
Approved to Recommended Budget**

<b>Neighborhood Resources</b>			
	<b>Approved</b>	<b>Recommended</b>	<b>Change</b>
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 2,470,630	\$ 2,413,970	\$ (56,660)
Other Restricted Funding	101,600	101,600	-0-
<b>Total Operating Budget</b>	<b>\$ 2,572,230</b>	<b>\$ 2,515,570</b>	<b>\$ (56,660)</b>
Capital Budget			
General Purpose Funds	\$ -0-	\$ 1,000,000	\$ 1,000,000
Federal Funding	1,275,000	3,475,000	2,200,000
Other Restricted Funding	1,700,000	3,700,000	2,000,000
<b>Total Capital Budget</b>	<b>\$ 2,975,000</b>	<b>\$ 8,175,000</b>	<b>\$ 5,200,000</b>
<b>Department Total</b>	<b>\$ 5,547,230</b>	<b>\$ 10,690,570</b>	<b>\$ 5,143,340</b>
<b>Staffing Summary</b>			
Permanent	20.00	20.00	-0-
<b>Total Staffing</b>	<b>20.00</b>	<b>20.00</b>	<b>-0-</b>
		<b>Recommended Change</b>	
		<b>Staffing</b>	<b>Budget</b>
<b>Operating Budget Changes</b>			
Personnel			
Adjustments to update salaries and benefits		\$	(56,660)
<b>Total Operating Budget Changes</b>		<b>-0-</b>	<b>\$ (56,660)</b>
<b>Capital Budget Changes</b>			
Adjustments to project budgets based on scheduled implementation and available funding		\$	5,200,000
<b>Total Capital Budget Changes</b>		<b>-0-</b>	<b>\$ 5,200,000</b>
<b>Total Changes</b>		<b>-0-</b>	<b>\$ 5,143,340</b>

**Change from Fiscal Year 2006  
Approved to Recommended Budget**

<b>Parks and Recreation</b>			
	<b>Approved</b>	<b>Recommended</b>	<b>Change</b>
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 43,955,100	\$ 43,576,630	\$ (378,470)
Federal Funding	725,370	720,930	(4,440)
Other Restricted Funding	1,704,520	1,705,410	890
<b>Total Operating Budget</b>	<b>\$ 46,384,990</b>	<b>\$ 46,002,970</b>	<b>\$ (382,020)</b>
Capital Budget			
General Obligation Bonds	\$ 2,824,000	\$ 4,811,400	\$ 1,987,400
Other Restricted Funding	3,867,800	5,343,000	1,475,200
<b>Total Capital Budget</b>	<b>\$ 6,691,800</b>	<b>\$ 10,154,400</b>	<b>\$ 3,462,600</b>
<b>Department Total</b>	<b>\$ 53,076,790</b>	<b>\$ 56,157,370</b>	<b>\$ 3,080,580</b>
<b>Staffing Summary</b>			
Permanent	407.50	407.00	(0.50)
Non-Permanent	286.50	290.00	3.50
<b>Total Staffing</b>	<b>694.00</b>	<b>697.00</b>	<b>3.00</b>
		<b>Recommended Change</b>	
		<b>Staffing</b>	<b>Budget</b>
<b>Operating Budget Changes</b>			
Personnel			
Adjustments to update salaries and benefits		\$	(382,020)
Three positions added to Hi Corbett Field to be funded with the existing maintenance budget		3.00	-0-
<b>Total Operating Budget Changes</b>		<b>3.00</b>	<b>\$ (382,020)</b>
<b>Capital Budget Changes</b>			
Adjustments to project budgets based on scheduled implementation and available funding		\$	3,462,600
<b>Total Capital Budget Changes</b>		<b>-0-</b>	<b>\$ 3,462,600</b>
<b>Total Changes</b>		<b>3.00</b>	<b>\$ 3,080,580</b>

**Change from Fiscal Year 2006  
Approved to Recommended Budget**

<b>Tucson City Golf</b>			
	<b>Approved</b>	<b>Recommended</b>	<b>Change</b>
<b>Financial Summary</b>			
Operating Budget			
Other Restricted Funding	\$ 10,987,510	\$ 10,863,050	\$ (124,460)
<b>Total Operating Budget</b>	<b>\$ 10,987,510</b>	<b>\$ 10,863,050</b>	<b>\$ (124,460)</b>
Capital Budget			
Other Restricted Funding	\$ -0-	\$ 1,615,000	\$ 1,615,000
<b>Total Capital Budget</b>	<b>\$ -0-</b>	<b>\$ 1,615,000</b>	<b>\$ 1,615,000</b>
<b>Department Total</b>	<b>\$ 10,987,510</b>	<b>\$ 12,478,050</b>	<b>\$ 1,490,540</b>
<b>Staffing Summary</b>			
Permanent	44.00	44.00	-0-
Non-Permanent	110.75	110.75	-0-
<b>Total Staffing</b>	<b>154.75</b>	<b>154.75</b>	<b>-0-</b>
		<b>Recommended Change</b>	<b>Budget</b>
<b>Operating Budget Changes</b>			
Personnel			
Adjustments to update salaries and benefits		\$	(124,460)
<b>Total Operating Budget Changes</b>		<b>-0-</b>	<b>\$ (124,460)</b>
<b>Capital Budget Changes</b>			
Silverbell Golf Course Improvements		\$	1,615,000
<b>Total Capital Budget Changes</b>		<b>-0-</b>	<b>\$ 1,615,000</b>
<b>Total Changes</b>		<b>-0-</b>	<b>\$ 1,490,540</b>



**Change from Fiscal Year 2006  
Approved to Recommended Budget**

<b>Police</b>			
	<b>Approved</b>	<b>Recommended</b>	<b>Change</b>
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 123,336,170	\$ 125,377,150	\$ 2,040,980
Federal Funding	5,317,020	5,430,830	113,810
Other Restricted Funding	6,941,250	7,211,030	269,780
<b>Total Operating Budget</b>	<b>\$ 135,594,440</b>	<b>\$ 138,019,010</b>	<b>\$ 2,424,570</b>
Capital Budget			
General Obligation Bonds	\$ -0-	\$ 211,700	\$ 211,700
Other Restricted Funding	3,444,000	3,444,000	-0-
<b>Total Capital Budget</b>	<b>\$ 3,444,000</b>	<b>\$ 3,655,700</b>	<b>\$ 211,700</b>
<b>Department Total</b>	<b>\$ 139,038,440</b>	<b>\$ 141,674,710</b>	<b>\$ 2,636,270</b>
<b>Staffing Summary</b>			
Commissioned	1,024.00	1,028.00	4.00
Civilian	381.50	383.50	2.00
<b>Total Staffing</b>	<b>1,405.50</b>	<b>1,411.50</b>	<b>6.00</b>
		<b>Recommended Change</b>	<b>Budget</b>
<b>Operating Budget Changes</b>			
Personnel			
Commissioned officer pension rate increase		\$	2,133,660
Other adjustments to update salaries and benefits			(249,230)
Fiscal Year 2005 reorganization to strengthen the command structure of the department and focus on critical community needs		9.00	366,140
Positions added for Counter Narcotics Alliance in Fiscal Year 2005 funded with forfeiture funds		3.00	174,000
Weed and Seed - federal grant funded positions eliminated with services to be provided by the Parks and Recreation Department and charged to Police		(6.00)	-0-
<b>Total Operating Budget Changes</b>		<b>6.00</b>	<b>\$ 2,424,570</b>
<b>Capital Budget Changes</b>			
Adjustments to project budgets based on scheduled implementation and available funding		\$	211,700
<b>Total Capital Budget Changes</b>		<b>-0-</b>	<b>\$ 211,700</b>
<b>Total Changes</b>		<b>6.00</b>	<b>\$ 2,636,270</b>

**Change from Fiscal Year 2006  
Approved to Recommended Budget**

Office of Equal Opportunity Programs and Independent Police Review				
	Approved	Recommended	Change	
Financial Summary				
Operating Budget				
General Purpose Funds	\$ 686,010	\$ 740,020	\$	54,010
Total	\$ 686,010	\$ 740,020	\$	54,010
Staffing Summary				
Permanent	9.00	9.00		-0-
Total Staffing	9.00	9.00		-0-
Operating Budget Changes				
Personnel				
Adjustments to update salaries and benefits			\$	38,510
Positions reclassified based on revised responsibilities				15,500
Total Changes			-0-	\$ 54,010

**Change from Fiscal Year 2006  
Approved to Recommended Budget**

Office of the Public Defender			
	Approved	Recommended	Change
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 2,881,300	\$ 2,813,750	\$ (67,550)
<b>Department Total</b>	<b>\$ 2,881,300</b>	<b>\$ 2,813,750</b>	<b>\$ (67,550)</b>
<b>Staffing Summary</b>			
Permanent	36.00	36.00	-0-
<b>Total Staffing</b>	<b>36.00</b>	<b>36.00</b>	<b>-0-</b>
		<b>Recommended Change</b>	<b>Budget</b>
<b>Operating Budget Changes</b>			
Personnel			
Adjustments to update salaries and benefits		\$	(68,030)
Miscellaneous Adjustments			480
<b>Total Changes</b>		<b>-0-</b>	<b>\$ (67,550)</b>

**Change from Fiscal Year 2006  
Approved to Recommended Budget**

<b>Development Services</b>			
	<b>Approved</b>	<b>Recommended</b>	<b>Change</b>
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 10,496,460	\$ 10,513,910	\$ 17,450
<b>Total Operating Budget</b>	<b>\$ 10,496,460</b>	<b>\$ 10,513,910</b>	<b>\$ 17,450</b>
Capital Budget			
General Purpose Funds	\$ -0-	\$ 500,000	500,000
<b>Total Capital Budget</b>	<b>\$ -0-</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>
<b>Department Total</b>	<b>\$ 10,496,460</b>	<b>\$ 11,013,910</b>	<b>\$ 517,450</b>
<b>Staffing Summary</b>			
Permanent	132.00	126.00	(6.00)
Non-Permanent	1.00	1.00	-0-
<b>Total Staffing</b>	<b>133.00</b>	<b>127.00</b>	<b>(6.00)</b>
		<b>Recommended Change</b>	<b>Budget</b>
		<b>Staffing</b>	
<b>Operating Budget Changes</b>			
Personnel			
Adjustments to update salaries and benefits		\$	17,450
Six positions transferred to Transportation for the Private Improvement Agreement Project (to be charged back to Development Services)		(6.00)	-0-
<b>Total Operating Budget Changes</b>		<b>(6.00)</b>	<b>\$ 17,450</b>
<b>Capital Budget Changes</b>			
Computerized Permitting System Upgrade to be funded from reserves designated for Development Services		\$	500,000
<b>Total Capital Budget Changes</b>		<b>-0-</b>	<b>\$ 500,000</b>
<b>Total Changes</b>		<b>(6.00)</b>	<b>\$ 517,450</b>

**Change from Fiscal Year 2006  
Approved to Recommended Budget**

<b>Transportation</b>			
	<b>Approved</b>	<b>Recommended</b>	<b>Change</b>
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 53,106,370	\$ 53,228,760	\$ 122,390
Federal Funding	6,270,680	6,280,650	9,970
Other Restricted Funding	36,604,020	36,427,400	(176,620)
<b>Total Operating Budget</b>	<b>\$ 95,981,070</b>	<b>\$ 95,936,810</b>	<b>\$ (44,260)</b>
Capital Budget			
General Purpose Funds	\$ 1,010,600	\$ 3,410,200	\$ 2,399,600
Federal Funding	19,975,100	47,381,500	27,406,400
General Obligation Bonds	2,300,000	15,938,200	13,638,200
Street and Highway Bonds	746,900	2,727,200	1,980,300
Other Restricted Funding	24,220,700	26,524,700	2,304,000
<b>Total Capital Budget</b>	<b>\$ 48,253,300</b>	<b>\$ 95,981,800</b>	<b>\$ 47,728,500</b>
<b>Department Total</b>	<b>\$ 144,234,370</b>	<b>\$ 191,918,610</b>	<b>\$ 47,684,240</b>
<b>Staffing Summary</b>			
Permanent	396.00	403.00	7.00
Non-Permanent	2.00	2.00	-0-
<b>Total Staffing</b>	<b>398.00</b>	<b>405.00</b>	<b>7.00</b>
<b>Operating Budget Changes</b>			
		<b>Recommended Change</b>	
		<b>Staffing</b>	<b>Budget</b>
Personnel			
Transfer one position from Human Resources for administrative support		1.00	\$ 124,440
Transfer six positions from Development Services for Private Improvement Agreements (to be charged back to Development Services)		6.00	-0-
Adjustments to update salaries and benefits			(280,070)
Building maintenance increase based on Fiscal Year 2005 trends			111,370
<b>Total Operating Budget Changes</b>		<b>7.00</b>	<b>\$ (44,260)</b>

**Change from Fiscal Year 2006  
Approved to Recommended Budget**

Transportation		
	Recommended Change Staffing	Budget
<b>Capital Budget Changes</b>		
Adjustments to project budgets based on scheduled implementation and available funding		\$ 47,728,500
<b>Total Capital Budget Changes</b>	-0-	\$ 47,728,500
<b>Total Changes</b>	7.00	\$ 47,684,240

**Change from Fiscal Year 2006  
Approved to Recommended Budget**

<b>Urban Planning and Design</b>			
	<b>Approved</b>	<b>Recommended</b>	<b>Change</b>
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 4,276,660	\$ 4,368,240	\$ 91,580
Federal Funding	80,000	390,000	310,000
Other Restricted Funding	356,380	358,980	2,600
<b>Department Total</b>	<b>\$ 4,713,040</b>	<b>\$ 5,117,220</b>	<b>\$ 404,180</b>
<b>Staffing Summary</b>			
Permanent	39.50	44.00	4.50
<b>Total Staffing</b>	<b>39.50</b>	<b>44.00</b>	<b>4.50</b>
		<b>Recommended Change</b>	<b>Budget</b>
<b>Operating Budget Changes</b>			
Personnel			
Adjustments to update salaries and benefits		\$	(54,180)
Positions added in support of annexation efforts within the program budget		2.50	-0-
Positions and associated funding transferred from Economic Development in support of retail recruitment and business retention		2.00	145,760
Capacity for Federal and State Grants			312,600
<b>Total Changes</b>		<b>4.50</b>	<b>404,180</b>

**Change from Fiscal Year 2006  
Approved to Recommended Budget**

Utility Services-Environmental Services			
	Approved	Recommended	Change
<b>Financial Summary</b>			
Operating Budget			
Environmental Services Revenues	\$ 34,199,730	\$ 35,443,350	\$ 1,243,620
Other Restricted Funding	1,666,740	1,666,740	-0-
<b>Total Operating Budget</b>	<b>\$ 35,866,470</b>	<b>\$ 37,110,090</b>	<b>\$ 1,243,620</b>
Capital Budget			
General Obligation Bonds	\$ 2,833,000	\$ 7,994,000	\$ 5,161,000
Other Restricted Funding	2,846,000	750,000	(2,096,000)
<b>Total Capital Budget</b>	<b>\$ 5,679,000</b>	<b>\$ 8,744,000</b>	<b>\$ 3,065,000</b>
<b>Department Total</b>	<b>\$ 41,545,470</b>	<b>\$ 45,854,090</b>	<b>\$ 4,308,620</b>
<b>Staffing Summary</b>			
Permanent	263.00	262.00	(1.00)
<b>Total Staffing</b>	<b>263.00</b>	<b>262.00</b>	<b>(1.00)</b>
		<b>Recommended Change</b>	<b>Budget</b>
<b>Operating Budget Changes</b>			
Personnel			
Adjustments to update salaries and benefits including the reduction of one position		(1.00)	\$ (168,780)
Increase in fuel costs			300,000
Adjustments to debt service for lease purchase of vehicles and additional bond sales			1,112,400
<b>Total Operating Budget Changes</b>		<b>(1.00)</b>	<b>\$ 1,243,620</b>
<b>Capital Budget Changes</b>			
Adjustments to project budgets based on scheduled implementation and available financing			\$ 3,065,000
<b>Total Capital Budget Changes</b>		<b>-0-</b>	<b>\$ 3,065,000</b>
<b>Total Changes</b>		<b>(1.00)</b>	<b>\$ 4,308,620</b>



**Change from Fiscal Year 2006  
Approved to Recommended Budget**

Utility Services-Tucson Water			
	Approved	Recommended	Change
<b>Financial Summary</b>			
Operating Budget			
Water Revenue and Operations Fund	\$ 115,742,050	\$ 116,116,300	\$ 374,250
Other Restricted Funding	2,818,000	2,818,000	-0-
<b>Total Operating Budget</b>	<b>\$ 118,560,050</b>	<b>\$ 118,934,300</b>	<b>\$ 374,250</b>
Capital Budget			
Water Revenue and Operations Fund	\$ 23,930,000	\$ 19,983,000	\$ (3,947,000)
Water Revenue Bonds	28,074,000	36,706,000	8,632,000
Water Infrastructure Finance Authority (WIFA)	-0-	2,497,000	2,497,000
Other Restricted Funding	261,000	261,000	-0-
<b>Total Capital Budget</b>	<b>\$ 52,265,000</b>	<b>\$ 59,447,000</b>	<b>\$ 7,182,000</b>
<b>Department Total</b>	<b>\$ 170,825,050</b>	<b>\$ 178,381,300</b>	<b>\$ 7,556,250</b>
<b>Staffing Summary</b>			
Permanent	570.00	571.00	1.00
<b>Total Staffing</b>	<b>570.00</b>	<b>571.00</b>	<b>1.00</b>
	<b>Recommended Change</b>		
		<b>Staffing</b>	<b>Budget</b>
<b>Operating Budget Changes</b>			
Personnel			
Adjustments to update salaries and benefits		\$	(135,490)
Adjustment to maintenance management staff reductions approved for Fiscal Year 2006		1.00	41,920
Delayed purchase of Central Arizona Project (CAP) Water Allocation - Central Arizona Water Conservation District			(1,087,960)
Electric and natural gas adjustment due to increase in usage and rates			860,770
New On-line Bill Payment System			498,020
CAP Water Acquisition Rate Adjustment			145,260
Miscellaneous			51,730
<b>Total Operating Budget Changes</b>		<b>1.00</b>	<b>\$ 374,250</b>

**Change from Fiscal Year 2006  
Approved to Recommended Budget**

Utility Services-Tucson Water		
	Recommended Change Staffing	Budget
<b>Capital Budget Changes</b>		
Adjustments to project budgets based on scheduled implementation and available funding		\$ 7,182,000
<b>Total Capital Budget Changes</b>	<b>-0-</b>	<b>\$ 7,182,000</b>
<b>Total Changes</b>	<b>1.00</b>	<b>\$ 7,556,250</b>

**Change from Fiscal Year 2006  
Approved to Recommended Budget**

Zoning Examiner				
		Approved	Recommended	Change
Financial Summary				
Operating Budget				
General Purpose Funds	\$	191,750	\$ 192,820	\$ 1,070
Department Total	\$	191,750	\$ 192,820	\$ 1,070
Staffing Summary				
Permanent		2.00	2.00	-0-
Total Staffing		2.00	2.00	-0-
Operating Budget Changes				
			Recommended Change Staffing	Budget
Personnel				
Adjustments to update salaries and benefits			\$	1,070
Total Changes			-0-	\$ 1,070

**Change from Fiscal Year 2006  
Approved to Recommended Budget**

<b>Tucson Convention Center</b>			
	<b>Approved</b>	<b>Recommended</b>	<b>Change</b>
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 9,780,620	\$ 9,789,740	\$ 9,120
Other Restricted Funding	750,000	1,000,000	250,000
<b>Total Operating Budget</b>	<b>\$ 10,530,620</b>	<b>\$ 10,789,740</b>	<b>\$ 259,120</b>
Capital Budget			
General Obligation Bonds - Interest	\$ -0-	\$ 928,000	\$ 928,000
<b>Total Capital Budget</b>	<b>\$ -0-</b>	<b>\$ 928,000</b>	<b>\$ 928,000</b>
<b>Department Total</b>	<b>\$ 10,530,620</b>	<b>\$ 11,717,740</b>	<b>\$ 1,187,120</b>
<b>Staffing Summary</b>			
Permanent	42.75	44.75	2.00
Non-Permanent	19.00	19.00	-0-
<b>Total Staffing</b>	<b>61.75</b>	<b>63.75</b>	<b>2.00</b>
		<b>Recommended Change</b>	<b>Budget</b>
<b>Operating Budget Changes</b>			
Personnel			
Adjustments to update salaries and benefits		\$	9,120
Reorganization to improve service adds two positions with no budget impact		2.00	-0-
Increase in facility improvements and to cover increased maintenance funded by prior year facility fee revenues			250,000
<b>Total Operating Budget Changes</b>		<b>2.00</b>	<b>\$ 259,120</b>
<b>Capital Budget Changes</b>			
Carryforward for fire alarm system replacement			928,000
<b>Total Capital Budget Changes</b>		<b>-0-</b>	<b>\$ 928,000</b>
<b>Total Changes</b>		<b>2.00</b>	<b>\$ 1,187,120</b>

**Change from Fiscal Year 2006  
Approved to Recommended Budget**

<b>Office of Economic Development</b>			
	<b>Approved</b>	<b>Recommended</b>	<b>Change</b>
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 1,335,550	\$ 1,169,480	\$ (166,070)
Federal Funding	514,920	513,520	(1,400)
<b>Department Total</b>	<b>\$ 1,850,470</b>	<b>\$ 1,683,000</b>	<b>\$ (167,470)</b>
<b>Staffing Summary</b>			
Permanent	11.00	12.00	1.00
Non-Permanent	4.50	1.00	(3.50)
<b>Total Staffing</b>	<b>15.50</b>	<b>13.00</b>	<b>(2.50)</b>
		<b>Recommended Change</b>	<b>Budget</b>
<b>Operating Budget Changes</b>			
Personnel			
Adjustments to update salaries and benefits		\$	78,290
Transfer of two positions to Urban Planning and Design in support of retail recruitment and business retention		(2.00)	(145,760)
Reorganization upgrades one position and eliminates one part-time position, with no budget impact		(0.50)	-0-
Transfer of Southern Arizona Institute of Advanced Technology to Outside Agencies in Non-Departmental to consolidate Economic Development agency funding			(100,000)
<b>Total Changes</b>		<b>(2.50)</b>	<b>\$ (167,470)</b>

**Change from Fiscal Year 2006  
Approved to Recommended Budget**

Intergovernmental Relations				
	Approved	Recommended	Change	
Financial Summary				
Operating Budget				
General Purpose Funds	\$ 567,480	\$ 565,860	\$	(1,620)
Total	\$ 567,480	\$ 565,860	\$	(1,620)
Staffing Summary				
Permanent	2.00	3.00		1.00
Total Staffing	2.00	3.00		1.00
Operating Budget Changes				
Personnel				
Adjustments to update salaries and benefits			\$	(1,620)
Addition of one Management Intern position to be funded through Transportation and other department support		1.00		-0-
Total Changes		1.00	\$	(1,620)

**Change from Fiscal Year 2006  
Approved to Recommended Budget**

<b>Tucson-Mexico Trade Office</b>			
	<b>Approved</b>	<b>Recommended</b>	<b>Change</b>
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 553,770	\$ 568,840	\$ 15,070
Federal Funding	273,350	381,660	108,310
Other Restricted Funding	605,900	590,730	(15,170)
<b>Department Total</b>	<b>\$ 1,433,020</b>	<b>\$ 1,541,230</b>	<b>\$ 108,210</b>
<b>Staffing Summary</b>			
Permanent	6.00	6.00	-0-
Non-Permanent	8.00	8.00	-0-
<b>Total Staffing</b>	<b>14.00</b>	<b>14.00</b>	<b>-0-</b>
		<b>Recommended Change</b>	<b>Budget</b>
<b>Operating Budget Changes</b>			
Personnel			
Adjustments to update salaries and benefits		\$	8,210
Increases to federal grant capacity			100,000
<b>Total Changes</b>		<b>-0-</b>	<b>\$ 108,210</b>

**Change from Fiscal Year 2006  
Approved to Recommended Budget**

Budget and Research				
		Approved	Recommended	Change
Financial Summary				
Operating Budget				
General Purpose Funds	\$	2,115,750	\$ 2,113,580	\$ (2,170)
Department Total	\$	2,115,750	\$ 2,113,580	\$ (2,170)
Staffing Summary				
Permanent		22.50	22.50	-0-
Total Staffing		22.50	22.50	-0-
Operating Budget Changes				
			Recommended Change	
			Staffing	Budget
Personnel				
Adjustments to update salaries and benefits			\$	(2,170)
Total Changes			-0-	\$ (2,170)



**Change from Fiscal Year 2006  
Approved to Recommended Budget**

<b>Finance</b>			
	<b>Approved</b>	<b>Recommended</b>	<b>Change</b>
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 10,910,640	\$ 10,794,320	\$ (116,320)
Other Restricted Funding	-0-	50,000	50,000
<b>Department Total</b>	<b>\$ 10,910,640</b>	<b>\$ 10,844,320</b>	<b>\$ (66,320)</b>
<b>Staffing Summary</b>			
Permanent	149.00	150.00	1.00
<b>Total Staffing</b>	<b>149.00</b>	<b>150.00</b>	<b>1.00</b>
		<b>Recommended Change</b>	
		<b>Staffing</b>	<b>Budget</b>
<b>Operating Budget Changes</b>			
Personnel			
Adjustments to update salaries and benefits		\$	(171,620)
Correction to staffing levels due to Fiscal Year 2004 reorganization of Employee Benefits		1.00	-0-
Funding for maintenance of upgraded financial software			55,300
Certificates of participation proceeds to complete remodeling of support service areas			50,000
<b>Total Changes</b>		<b>1.00</b>	<b>\$ (66,320)</b>

**Change from Fiscal Year 2006  
Approved to Recommended Budget**

General Services			
	Approved	Recommended	Change
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 10,979,040	\$ 10,737,000	\$ (242,040)
Federal Funding	1,500,000	1,500,000	-0-
Other Restricted Funding	11,311,400	11,311,400	-0-
<b>Total Operating Budget</b>	<b>\$ 23,790,440</b>	<b>\$ 23,548,400</b>	<b>\$ (242,040)</b>
Capital Budget			
Other Restricted Funding	\$ 3,197,300	\$ -0-	(3,197,300)
<b>Total Capital Budget</b>	<b>\$ 3,197,300</b>	<b>\$ -0-</b>	<b>\$ (3,197,300)</b>
<b>Department Total</b>	<b>\$ 26,987,740</b>	<b>\$ 23,548,400</b>	<b>\$ (3,439,340)</b>
<b>Staffing Summary</b>			
Permanent	356.00	356.00	-0-
Non-Permanent	1.00	1.00	-0-
<b>Total Staffing</b>	<b>357.00</b>	<b>357.00</b>	<b>-0-</b>
		<b>Recommended Change</b>	<b>Budget</b>
<b>Operating Budget Changes</b>			
Personnel			
Adjustments to update salaries and benefits		\$	(293,500)
One position transferred from Information Technology for Geographic Information Systems (GIS) needs		1.00	51,460
One position deleted due to completion of Teaching Energy Conservation Grant		(1.00)	-0-
<b>Total Operating Budget Changes</b>		<b>-0-</b>	<b>\$ (242,040)</b>
<b>Capital Budget Changes</b>			
Emergency Communications System Project transferred to Information Technology		\$	(3,197,300)
<b>Total Capital Budget Changes</b>		<b>-0-</b>	<b>\$ (3,197,300)</b>
<b>Total Changes</b>		<b>-0-</b>	<b>\$ (3,439,340)</b>

**Change from Fiscal Year 2006  
Approved to Recommended Budget**

<b>Human Resources</b>			
	<b>Approved</b>	<b>Recommended</b>	<b>Change</b>
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 2,816,080	\$ 2,854,660	\$ 38,580
<b>Department Total</b>	<b>\$ 2,816,080</b>	<b>\$ 2,854,660</b>	<b>\$ 38,580</b>
<b>Staffing Summary</b>			
Permanent	26.00	27.00	1.00
<b>Total Staffing</b>	<b>26.00</b>	<b>27.00</b>	<b>1.00</b>
		<b>Recommended Change</b>	<b>Budget</b>
<b>Operating Budget Changes</b>			
Personnel			
Adjustments to update salaries and benefits		\$	26,950
Reorganization to meet customer service needs with no budget increase		1.00	-0-
Miscellaneous adjustments			11,630
<b>Total Changes</b>		<b>1.00</b>	<b>\$ 38,580</b>

**Change from Fiscal Year 2006  
Approved to Recommended Budget**

<b>Information Technology</b>			
	<b>Approved</b>	<b>Recommended</b>	<b>Change</b>
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 13,461,500	\$ 13,386,130	\$ (75,370)
Other Restricted Funding	503,920	503,920	-0-
<b>Total Operating Budget</b>	<b>\$ 13,965,420</b>	<b>\$ 13,890,050</b>	<b>\$ (75,370)</b>
Capital Budget			
Other Restricted Funding	\$ -0-	\$ 11,172,300	\$ 11,172,300
<b>Total Capital Budget</b>	<b>\$ -0-</b>	<b>\$ 11,172,300</b>	<b>\$ 11,172,300</b>
<b>Department Total</b>	<b>\$ 13,965,420</b>	<b>\$ 25,062,350</b>	<b>\$ 11,096,930</b>
<b>Staffing Summary</b>			
Permanent	99.50	98.50	(1.00)
Non-Permanent	1.66	1.66	-0-
<b>Total Staffing</b>	<b>101.16</b>	<b>100.16</b>	<b>(1.00)</b>
		<b>Recommended Change</b>	<b>Budget</b>
<b>Operating Budget Changes</b>			
Personnel			
Adjustments to update salaries and benefits		\$	(23,910)
Transfer one position to General Services for Geographic Information Systems (GIS) support		(1.00) \$	(51,460)
<b>Total Operating Budget Changes</b>		<b>(1.00) \$</b>	<b>(75,370)</b>
<b>Capital Budget Changes</b>			
Emergency Communications System Project transferred to Information Technology from General Services		\$	11,172,300
<b>Total Capital Budget Changes</b>		<b>-0- \$</b>	<b>11,172,300</b>
<b>Total Changes</b>		<b>(1.00) \$</b>	<b>11,096,930</b>

**Change from Fiscal Year 2006  
Approved to Recommended Budget**

<b>Procurement</b>			
	<b>Approved</b>	<b>Recommended</b>	<b>Change</b>
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 3,464,530	\$ 3,485,690	\$ 21,160
<b>Department Total</b>	<b>\$ 3,464,530</b>	<b>\$ 3,485,690</b>	<b>\$ 21,160</b>
<b>Staffing Summary</b>			
Permanent	65.00	64.00	(1.00)
<b>Total Staffing</b>	<b>65.00</b>	<b>64.00</b>	<b>(1.00)</b>
		<b>Recommended Change</b>	
		<b>Staffing</b>	<b>Budget</b>
<b>Operating Budget Changes</b>			
Personnel		\$	160
Adjustments to update salaries and benefits			
Transferred one position to Transportation, with no budget impact		(1.00)	-0-
Miscellaneous adjustments			21,000
<b>Total Changes</b>		<b>(1.00)</b>	<b>\$ 21,160</b>

**Change from Fiscal Year 2006  
Approved to Recommended Budget**

Non-Departmental			
	Approved	Recommended	Change
<b>Financial Summary</b>			
Operating Budget			
General Purpose Funds	\$ 20,598,450	\$ 18,958,360	\$ (1,640,090)
Federal Funding	133,990	122,510	(11,480)
Other Restricted Funding	45,316,320	49,598,340	4,282,020
<b>Total Operating Budget</b>	<b>\$ 66,048,760</b>	<b>\$ 68,679,210</b>	<b>\$ 2,630,450</b>
Capital Budget			
General Purpose Funds	\$ -0-	\$ 744,000	\$ 744,000
Other Restricted Funding	-0-	3,693,000	3,693,000
<b>Total Capital Budget</b>	<b>\$ -0-</b>	<b>\$ 4,437,000</b>	<b>\$ 4,437,000</b>
<b>Department Total</b>	<b>\$ 66,048,760</b>	<b>\$ 73,116,210</b>	<b>\$ 7,067,450</b>
<b>Staffing Summary</b>			
Permanent	4.75	4.75	-0-
<b>Total Staffing</b>	<b>4.75</b>	<b>4.75</b>	<b>-0-</b>
	<b>Recommended Change</b>		
	<b>Staffing</b>	<b>Budget</b>	
<b>Operating Budget Changes</b>			
Capacity for salary market adjustments		\$ 1,083,000	
Capacity for fuel cost increase		870,000	
Starr Pass Environmental Enhancement Fee, which will be recovered through increased revenues from the Starr Pass Marriott		840,000	
Administrative charge adjustment		205,000	
Transfer Southern Arizona Institute of Advanced Technology (SAIAT) funding from Economic Development		100,000	
Tucson Downtown Alliance increase based on contractual requirements		18,500	
The Commission on Urban Native Americans was not renewed		(3,910)	
Reduction in debt service costs due to refinancing and revised funding requirements		(482,140)	
<b>Total Operating Budget Changes</b>	<b>-0-</b>	<b>\$ 2,630,450</b>	
<b>Capital Budget Changes</b>			
Adjustments to project budgets based on scheduled implementation		\$ 4,437,000	
<b>Total Capital Budget Changes</b>	<b>-0-</b>	<b>\$ 4,437,000</b>	
<b>Total Changes</b>	<b>-0-</b>	<b>\$ 7,067,450</b>	

Position Changes to the Fiscal Year 2006 Budget			
	Approved	Recommended	Change
Elected and Official	235.50	234.50	(1.00)
Neighborhood Services	3,555.80	3,575.80	20.00
Environmental and Development	1,405.50	1,411.00	5.50
Strategic Initiatives	93.25	93.75	0.50
Support Services	720.71	720.71	-0-
Non-Departmental	4.75	4.75	-0-
<b>Total</b>	<b>6,015.51</b>	<b>6,040.51</b>	<b>25.00</b>
<b>Position Change Detail</b>			
	Permanent	Non-Permanent	Total Change
<b>Organizational Changes</b>			
<b>Elected and Official</b>			
Mayor and Council			
Courier	(1.00)	-0-	(1.00)
Executive Assistant	(0.50)	-0-	(0.50)
Sub-Total	(1.50)	-0-	(1.50)
City Clerk			
Secretary	0.50	-0-	0.50
Sub-Total	0.50	-0-	0.50
<b>Total Elected and Official</b>	<b>(1.00)</b>	<b>-0-</b>	<b>(1.00)</b>
<b>Neighborhood Services</b>			
Community Services			
Community Services Project Coordinator	(2.50)	-0-	(2.50)
Custodian	-0-	1.50	1.50
Customer Service Clerk	(2.00)	-0-	(2.00)
General Maintenance Trainee/Worker	-0-	2.00	2.00
Housing Quality Standards Inspector	(2.00)	-0-	(2.00)
Housing Services Agent	(1.00)	-0-	(1.00)
Locksmith	-0-	0.75	0.75
Office Assistant	-0-	2.75	2.75
Sub-Total	(7.50)	7.00	(0.50)

Position Changes to the Fiscal Year 2006 Budget			
	Permanent	Non-Permanent	Total Change
<b>Organizational Changes</b>			
<b>Neighborhood Services (Continued)</b>			
Fire			
Environmental Services Equipment Operator	2.00	-0-	2.00
Environmental Services Superintendent	1.00	-0-	1.00
Environmental Services Supervisor	1.00	-0-	1.00
Environmental Services Worker	1.00	-0-	1.00
Equipment Operation Specialist	1.00	-0-	1.00
Firefighter	4.00	-0-	4.00
Firefighter Assignment: Haz/Tech	(3.00)	-0-	(3.00)
Paramedic	(5.00)	-0-	(5.00)
Paramedic Assignment: Haz/Tech	4.00	-0-	4.00
Senior Environmental Services Worker	2.00	-0-	2.00
Sub-Total	8.00	-0-	8.00
Library			
Customer Service Clerk	3.50	-0-	3.50
Sub-Total	3.50	-0-	3.50
Parks and Recreation			
General Maintenance Worker/Trainee	-0-	3.00	3.00
Lead Groundskeeper	1.00	-0-	1.00
Recreation Assistant	(0.50)	-0-	(0.50)
Recreation Coordinator	(1.00)	-0-	(1.00)
Senior Recreation Worker	-0-	0.50	0.50
Sub-Total	(0.50)	3.50	3.00
Police			
Clerk Transcriptionist	(1.00)	-0-	(1.00)
Customer Service Clerk	1.00	-0-	1.00
Financial Specialist	1.00	-0-	1.00
Police Crime Analyst	2.00	-0-	2.00
Police Lieutenant	1.00	-0-	1.00
Police Lieutenant Assignment: Assistant Police Chief	1.00	-0-	1.00
Police Lieutenant Assignment: Police Captain	2.00	-0-	2.00
Program Coordinator	-0-	(1.00)	(1.00)
Recreational Worker	-0-	(3.00)	(3.00)
Secretary	5.00	-0-	5.00
Senior Recreational Worker	-0-	(2.00)	(2.00)
Sub-Total	12.00	(6.00)	6.00
<b>Total Neighborhood Services</b>	<b>15.50</b>	<b>4.50</b>	<b>20.00</b>



Position Changes to the Fiscal Year 2006 Budget			
	Permanent	Non-Permanent	Total Change
<b>Organizational Changes</b>			
<b>Environment and Development</b>			
Development Services			
Construction Inspector	(4.00)	-0-	(4.00)
Engineering Associate	(1.00)	-0-	(1.00)
Senior Engineering Associate	(1.00)	-0-	(1.00)
Sub-Total	(6.00)	-0-	(6.00)
Transportation			
Construction Inspector	4.00	-0-	4.00
Engineering Associate	1.00	-0-	1.00
Research Assistant Special Projects	1.00	-0-	1.00
Senior Engineering Associate	1.00	-0-	1.00
Sub-Total	7.00	-0-	7.00
Urban Planning and Design			
Administrative Assistant	1.00	-0-	1.00
Economic Development Specialist	1.00	-0-	1.00
Management Analyst	1.00	-0-	1.00
Project Manager	1.00	-0-	1.00
Secretary	0.50	-0-	0.50
Sub-Total	4.50	-0-	4.50
Utility Services-Environmental Services			
Director of Environmental Services	(1.00)	-0-	(1.00)
Sub-Total	(1.00)	-0-	(1.00)
Utility Services-Tucson Water			
Utility Service Worker	1.00	-0-	1.00
Sub-Total	1.00	-0-	1.00
<b>Total Environment and Development</b>	<b>5.50</b>	<b>-0-</b>	<b>5.50</b>
<b>Strategic Initiatives</b>			
Tucson Convention Center			
Cashier	1.00	(0.50)	0.50
Convention Center Event Services Manager	1.00	-0-	1.00
Convention Center Parking Supervisor	0.50	-0-	0.50
Deputy Director of Convention Center	(1.00)	-0-	(1.00)
Office Assistant	-0-	0.50	0.50
Secretary	0.50	-0-	0.50
Sub-Total	2.00	-0-	2.00

Position Changes to the Fiscal Year 2006 Budget			
	Permanent	Non-Permanent	Total Change
<b>Organizational Changes</b>			
<b>Strategic Initiatives (Continued)</b>			
Office of Economic Development			
Administrative Assistant	(1.00)	-0-	(1.00)
Database Administrator	-0-	(0.50)	(0.50)
Economic Development Specialist	(2.00)	-0-	(2.00)
Economic Development Supervisor	1.00	-0-	1.00
Sub-Total	(2.00)	(0.50)	(2.50)
Intergovernmental Relations			
Municipal Intern	1.00	-0-	1.00
Sub-Total	1.00	-0-	1.00
<b>Total Strategic Initiatives</b>	<b>1.00</b>	<b>(0.50)</b>	<b>0.50</b>
<b>Support Services</b>			
Finance			
Finance Manager	1.00	-0-	1.00
Sub-Total	1.00	-0-	1.00
General Services			
Administrative Assistant	1.00	-0-	1.00
Community Services Project Supervisor	(1.00)	-0-	(1.00)
Sub-Total	-0-	-0-	-0-
Human Resources			
Administrative Assistant	1.00	-0-	1.00
Management Coordinator	(1.00)	-0-	(1.00)
Staff Assistant	1.00	-0-	1.00
Sub-Total	1.00	-0-	1.00
Information Technology			
Administrative Assistant	(1.00)	-0-	(1.00)
Sub-Total	(1.00)	-0-	(1.00)
Procurement			
Senior Reprographics Technician	(1.00)	-0-	(1.00)
Sub-Total	(1.00)	-0-	(1.00)
<b>Total Support Services</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
<b>Total Organizational Changes in the Budget</b>	<b>21.00</b>	<b>4.00</b>	<b>25.00</b>

Position Changes to the Fiscal Year 2006 Budget			
	Permanent	Non-Permanent	Total Change
<b>Reclassifications and Other General Changes</b>			
<b>Elected and Official</b>			
Mayor and Council			
Administrative Assistant	(2.00)	-0-	(2.00)
Management Assistant	2.00	-0-	2.00
Sub-Total	-0-	-0-	-0-
City Clerk			
Office Supervisor	1.00	-0-	1.00
Secretary	(1.00)	-0-	(1.00)
Sub-Total	-0-	-0-	-0-
<b>Total Elected and Official</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
<b>Neighborhood Services</b>			
City Court			
Assistant Director	1.00	-0-	1.00
Court Administrator	(1.00)	-0-	(1.00)
Court Clerk	(15.00)	-0-	(15.00)
Deputy Director of City Court	1.00	-0-	1.00
Management Coordinator	(1.00)	-0-	(1.00)
Probation Officer	(1.00)	-0-	(1.00)
Secretary	(2.00)	-0-	(2.00)
Senior Court Clerk	17.00	-0-	17.00
Senior Probation Officer	1.00	-0-	1.00
Sub-Total	-0-	-0-	-0-
Community Services			
Community Services Manager	1.00	-0-	1.00
Financial Specialist	(1.00)	-0-	(1.00)
Sub-Total	-0-	-0-	-0-
Fire			
Clerk Transcriptionist	(1.00)	-0-	(1.00)
Secretary	1.00	-0-	1.00
Sub-Total	-0-	-0-	-0-

Position Changes to the Fiscal Year 2006 Budget			
	Permanent	Non-Permanent	Total Change
<b>Reclassifications and Other General Changes</b>			
<b>Neighborhood Services (Continued)</b>			
Parks and Recreation			
Administrative Assistant	1.00	-0-	1.00
Environmental Project Coordinator	1.00	-0-	1.00
Facility and Equipment Maintenance Specialist	(1.00)	-0-	(1.00)
Parks Equipment Operator	(1.00)	-0-	(1.00)
Pest Control Specialist	1.00	-0-	1.00
Recreation Assistant	(1.00)	-0-	(1.00)
Sub-Total	-0-	-0-	-0-
Police			
Account Clerk	(1.00)	-0-	(1.00)
Crime Laboratory Coordinator	1.00	-0-	1.00
Crime Scene Specialist	1.00	-0-	1.00
Criminalist	2.00	-0-	2.00
Fingerprint System Operator	(1.00)	-0-	(1.00)
LAN Administrator	(1.00)	-0-	(1.00)
Mainframe Systems Programmer	1.00	-0-	1.00
Management Assistant	1.00	-0-	1.00
Marshall	(1.00)	-0-	(1.00)
Police Certified Latent Print Examiner	(5.00)	-0-	(5.00)
Police Crime Analyst	1.00	-0-	1.00
Police Hazardous Devices Technician	2.00	-0-	2.00
Police Latent Print Examiner	(2.00)	-0-	(2.00)
Police Latent Print Examiner Supervisor	(1.00)	-0-	(1.00)
Police Lieutenant	2.00	-0-	2.00
Police Officer	(5.00)	-0-	(5.00)
Police Officer Assignments	1.00	-0-	1.00
Senior Account Clerk	1.00	-0-	1.00
Senior Criminalist	5.00	-0-	5.00
Staff Assistant	(1.00)	-0-	(1.00)
Sub-Total	-0-	-0-	-0-
<b>Total Neighborhood Services</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

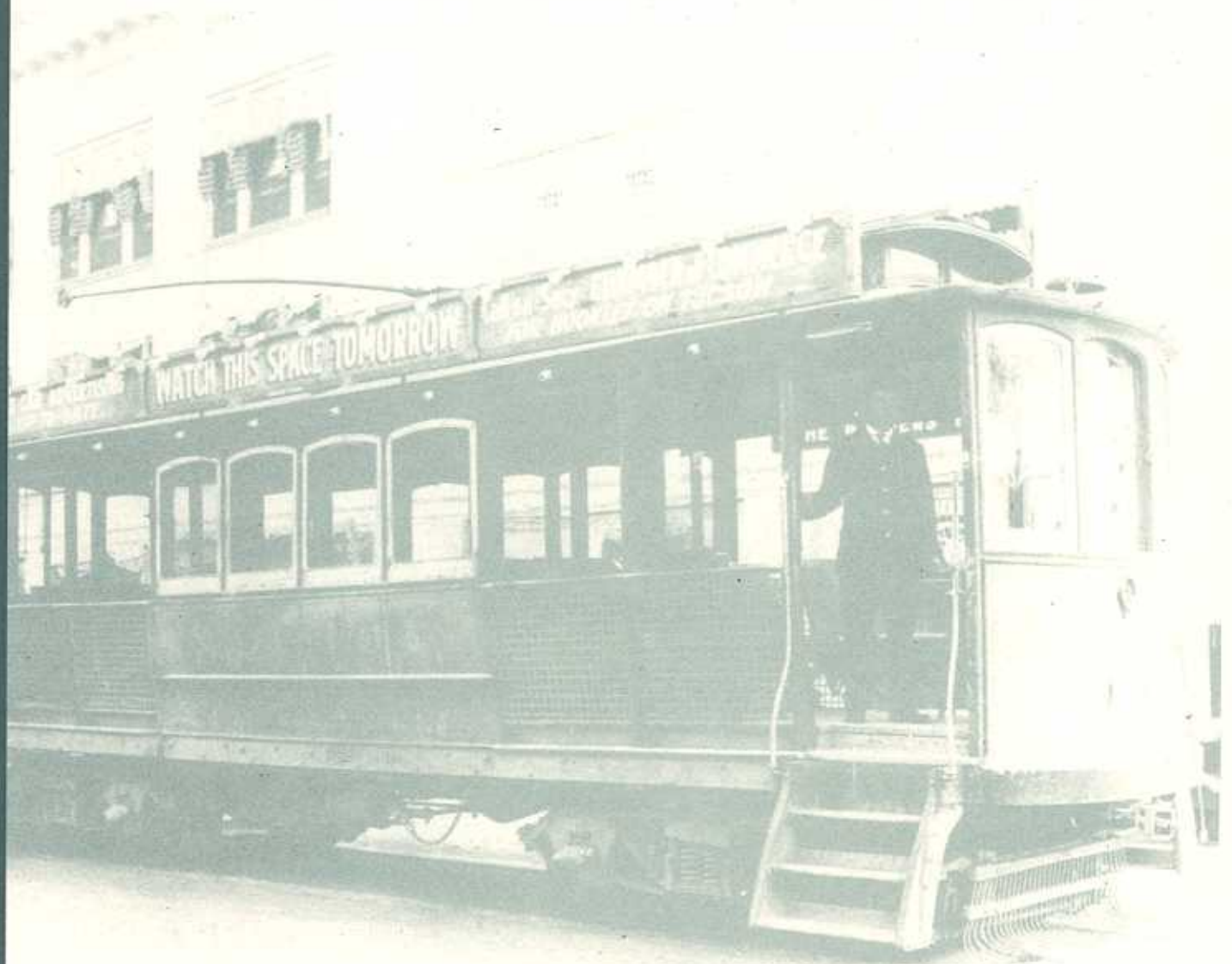
Position Changes to the Fiscal Year 2006 Budget			
	Permanent	Non-Permanent	Total Change
<b>Reclassifications and Other General Changes</b>			
<b>Environment and Development</b>			
Transportation			
Administrative Assistant	(1.00)	-0-	(1.00)
Community Service Project Coordinator	(1.00)	-0-	(1.00)
Engineering Associate	(1.00)	-0-	(1.00)
LAN Administrator	1.00	-0-	1.00
Lead Management Analyst	(1.00)	-0-	(1.00)
Management Analyst	2.00	-0-	2.00
Parking Services Supervisor	(1.00)	-0-	(1.00)
Project Manager	(1.00)	-0-	(1.00)
Public Information Specialist	(1.00)	-0-	(1.00)
Senior Engineering Associate	2.00	-0-	2.00
System Analyst	(1.00)	-0-	(1.00)
Transportation Administrator	1.00	-0-	1.00
Transportation Engineering Supervisor	1.00	-0-	1.00
Transportation Project Coordinator	1.00	-0-	1.00
Sub-Total	-0-	-0-	-0-
Urban Planning and Design			
Planning Administrator	1.00	-0-	1.00
Transportation Administrator	(1.00)	-0-	(1.00)
Sub-Total	-0-	-0-	-0-
Utility Services-Environmental Services			
Environmental Inspector	(1.00)	-0-	(1.00)
Environmental Services Inspection Supervisor	1.00	-0-	1.00
Environmental Services Landfill Inspector	1.00	-0-	1.00
Management Analyst	1.00	-0-	1.00
Senior Environmental Equipment Operator	(1.00)	-0-	(1.00)
Utility Services Equipment Controls Technician	(1.00)	-0-	(1.00)
Sub-Total	-0-	-0-	-0-
Utility Services-Tucson Water			
Administrative Assistant	(1.00)	-0-	(1.00)
Database Administrator	1.00	-0-	1.00
Information Technology Specialist	2.00	-0-	2.00
Lead Utility Service Worker	5.00	-0-	5.00
Maintenance Mechanic/Electrical Supervisor	(1.00)	-0-	(1.00)
Safety Specialist	1.00	-0-	1.00
Senior Accountant/Auditor	(2.00)	-0-	(2.00)

Position Changes to the Fiscal Year 2006 Budget			
	Permanent	Non-Permanent	Total Change
<b>Reclassifications and Other General Changes</b>			
<b>Environment and Development (Continued)</b>			
Utility Services-Tucson Water (continued)			
Senior Utility Service Worker	(6.00)	-0-	(6.00)
Staff Assistant	2.00	-0-	2.00
Water Control Systems Manager	(1.00)	-0-	(1.00)
Sub-Total	-0-	-0-	-0-
<b>Total Environmental and Development</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
<b>Strategic Initiatives</b>			
Tucson Convention Center			
Center Services Assistant	(1.00)	-0-	(1.00)
Secretary	1.00	-0-	1.00
Sub-Total	-0-	-0-	-0-
Office of Economic Development			
Economic Development Specialist	3.00	(3.00)	-0-
Sub-Total	3.00	(3.00)	-0-
<b>Total Strategic Initiatives</b>	<b>3.00</b>	<b>(3.00)</b>	<b>-0-</b>
<b>Non-Departmental</b>			
General Expense (Rio Nuevo)			
Project Manager	(1.00)	-0-	(1.00)
Special Projects Coordinator/City Manager's Office	1.00	-0-	1.00
Sub-Total	-0-	-0-	-0-
<b>Total Non-Departmental</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
<b>Total Reclassifications and Other General Changes</b>	<b>3.00</b>	<b>(3.00)</b>	<b>-0-</b>
<b>Total Position Changes</b>	<b>24.00</b>	<b>1.00</b>	<b>25.00</b>



# SECTION C

## LEGAL AUTHORIZATION





## LEGAL REQUIREMENTS

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The city's budget is subject to requirements set by the State of Arizona's Constitution and statutes, and the Tucson City Charter.

### LEGAL REQUIREMENTS IMPOSED BY THE STATE

#### State Spending Limitation

Tucson, like all cities in the State of Arizona, is subject to numerous budgetary and related legal requirements. Article IX, Section 20(1) of the Arizona Constitution sets out limits on the city's legal budget capacity. In general, the Mayor and Council cannot authorize expenditures of local revenues in excess of the expenditure limitation determined annually by the State of Arizona's Economic Estimates Commission (EEC). This limitation is based on the city's actual expenditures incurred during Fiscal Year 1980, adjusted to reflect subsequent inflation and population growth. Not subject to this limit are items such as bond proceeds, related debt service, interest earnings, certain highway user revenue funds, federal funds, monies received pursuant to intergovernmental agreements, and state grants which are to be used for specific purposes. Each year the EEC recalculates expenditure limitations for population growth and inflation, using the federal Gross Domestic Product (GDP) index to account for inflationary increases.

In November 1981, in accordance with state statutes, the voters of Tucson passed a \$800,000 increase in the expenditure base used to calculate the city's expenditure limitation. In November 1987, the voters of Tucson passed a \$46.9 million increase. The effects are permanent increases in the city's expenditure limitation, which the city has used for purposes of improved police, recreational, water, transportation, fire protection services, and paramedic services.

#### Property Tax Levy Limitation

The Arizona Constitution and Arizona Revised Statutes (ARS) specify a property tax levy limitation system. This system consists of two levies, a limited levy known as the primary property tax levy and an unlimited levy referred to as the secondary property tax levy. The primary levy may be imposed for all purposes, while the secondary levy may only be used to retire the principal and interest or redemption charges on general obligation bonded indebtedness.

*Primary Property Tax Levy:* There is a strict limitation on how much the city can levy as a primary property tax. This primary property tax levy is limited to an increase of 2% over the previous year's maximum allowable primary levy, plus an increased dollar amount due to a net gain in property not taxed the previous year (ARS §42-17051). Even if the city does not adopt the maximum allowable levy from year to year, the 2% allowable increase will be based on the prior year's "maximum allowable levy." The "net new property" factor is included in the calculation to take into account all new construction and any additional property added to a community due to annexations. The 2% increase applies to all taxable property.

*Secondary Property Tax Levy:* The secondary property tax allows the city to levy a property tax for the purpose of retiring the principal and paying interest on general obligation bonds. This levy is referred to as the "unlimited" levy because this property tax may be levied in an amount to make necessary interest payments on, and for the retirement of, general obligation bonds issued by the city.

Not only is the dollar amount of the secondary property tax levy "unlimited," the actual full cash value of property that is used in determining the tax rate will be increased by changes in market value without a cap (Article IX, Section 18 and 19, Arizona Constitution). Unlike the primary tax system which uses a controlled assessment system to determine the tax rate, state laws allow the city to levy the amount of secondary property tax necessary to pay off its general obligation bonds.

#### Budget Adoption

State law (ARS §42-17101) requires that on or before the third Monday in July of each fiscal year, the Mayor and Council must adopt a tentative budget. Once this tentative budget has been adopted, the expenditures may not be increased upon final adoption. In effect, with the adoption of the tentative budget, the council has set its maximum "limits" for expenditure, but these limits may be reduced upon final adoption.

Once the tentative budget has been adopted, it must be published once a week for at least two consecutive weeks. The tentative budget must be fully itemized in accordance with forms supplied by the auditor general and included in the council meeting minutes.

State law (ARS §42-17104, §42-17105) specifies that seven or more days prior to the date the property tax levy is adopted, the city or town council must adopt the final budget for the fiscal year by roll call vote at a special meeting called for that purpose. State law requires adoption of the tax levy on or before the third Monday in August. The adopted budget then becomes the amount proposed for expenditure in the upcoming fiscal year and shall not exceed the total amount proposed for expenditure in the published estimates (ARS §42-17106). Once adopted, no expenditures shall be made for a purpose not included in the budget and no expenditures shall be made in excess of the amounts specified for each purpose in the budget, except as provided by law. This restriction applies whether or not the city has at any time received, or has on hand, funds or revenue in excess of those required to meet expenditures incurred under the budget. Federal and bond funds are not subject to this requirement.

### **Adoption Of Tax Levy**

State law (ARS §42-17107) governing truth in taxation notice and hearing requires that on or before July 1st, the county assessor shall transmit to the city an estimate of the total net assessed valuation of the city, including an estimate of new property that has been added to the tax roll since the previous levy of property taxes in the city. If the proposed primary property tax levy, excluding amounts that are attributable to new construction, is greater than the amount levied by the city in the preceding year, the governing body shall publish a notice of tax increase. The truth in taxation hearing must be held prior to the adoption of the property tax levy.

The tax levy for the city must be adopted on or before the third Monday in August (ARS §42-17151). The tax levy must be specified in an ordinance adopted by the Mayor and Council. The levy is for both the primary and secondary tax.

### **Budget Revisions**

ARS §42-17106 requires that no expenditures be made for a purpose not included in the adopted budget in any fiscal year in excess of the amount specified for each purpose in the budget. The City of Tucson in its annual Budget Adoption Resolution defines “purpose” as a series of departments and offices organized into the following six program categories:

- 1) Elected and Official
- 2) Neighborhood Services
- 3) Environment and Development
- 4) Strategic Initiatives
- 5) Support Services
- 6) Non-Departmental

The departments within a given program category are held accountable for their budget. Each department and the Budget and Research Department continuously monitor expenditures. If budget changes are needed, city departments prepare budget change requests that identify the areas to be increased and decreased. The Director of Budget and Research approves these budget change requests; under special circumstances the City Manager or his designee also approves the change requests. If there are major policy or program implications associated with a change, the City Manager may submit it to the Mayor and Council for approval. Once approved, the revised appropriation is entered into the city’s financial management system.

ARS §42-17106 permits the Mayor and Council, on the affirmation of a majority of the members at a duly noticed public meeting, to authorize the transfer of funds between program categories if the funds are available so long as the transfer does not violate the state set spending limitations.

## **LEGAL REQUIREMENTS IMPOSED BY THE CITY CHARTER**

Legal requirements of the Tucson City Charter related to limiting property taxes and scheduling of budget adoption—are more restrictive than state law.

### **Property Tax Levy Limitation**

Chapter IV, Section 2 of the Tucson Charter sets an upper property tax limit of \$1.75 per \$100 assessed value. Therefore, state laws notwithstanding, the city cannot levy a combined primary and secondary property tax that exceeds \$1.75.

### **Fiscal Year**

The fiscal year of the city begins the first day of July of each year. (Tucson City Charter, Chapter XIII, Section 1)

### **Submission of the Recommended Budget**

The City Charter requires that the City Manager prepare a written estimate of the funds required to conduct the business and affairs of the city for the next fiscal year. This estimate, which is the recommended budget, is due on or before the first Monday in May of each year, or on such date in each year as shall be fixed by the Mayor and Council. (Tucson City Charter, Chapter XIII, Section 3)

### **Budget Approval**

On or before the first Monday in June of each year, or on such date in each year as shall be fixed by the Mayor and Council, the City Manager is required to submit to the Mayor and Council an estimate of the probable expenditures for the coming fiscal year, stating the amount in detail required to meet all expenditures necessary for city purposes, including interest and sinking funds, and outstanding indebtedness. Also required is an estimate of the amount of income expected from all sources and the probable amount required to be raised by taxation to cover expenditures, interest, and sinking funds. (Tucson City Charter, Chapter XVIII, Section 4)

### **Budget Publication and Hearings**

The budget has to be prepared in detail sufficient to show the aggregate sum and the specific items allowed for each and every purpose. The budget and a notice that the Mayor and Council will meet for the purpose of making tax levies must be published in the official newspaper of the city once a week for at least two consecutive weeks following the tentative adoption of such budget. (Tucson City Charter, Chapter XVIII, Section 5)

### **Adoption of the Budget and Tax Levy**

Under Chapter XIII, Section 13 of the City Charter, any unexpended funds held at the conclusion of the fiscal year, other than funds needed to pay bond indebtedness, are no longer available for expenditure and must be credited against amounts to be raised by taxation in the succeeding fiscal year. If a budget is adopted after the beginning of the fiscal year, Chapter XIII, Section 13 may bar the expenditure of any money until a budget is in place. The implications of Chapter XIII, Section 13 are two fold. First, any non-bond related expenditure authority terminates on June 30. Second, since the clear implication of this section is that an adopted budget is necessary to provide expenditure authority, if a budget is not in place on July 1 the city cannot expend funds. To avoid any

possible implications of not having a budget in place before the beginning of the fiscal year, it is advised that the Mayor and Council adopt a final budget on or before June 30.

The Mayor and Council are required to hold a public hearing at least one week prior to the day on which tax levies are made, so that taxpayers may be heard in favor of or against any proposed tax levy.

After the hearing has been concluded, the Mayor and Council adopt the budget as finally determined upon. All taxes are to be levied or voted upon in specific sums and cannot exceed the sum specified in the published estimate. (Tucson City Charter, Chapter XVIII, Section 6, and Ordinance Number 1142, effective 6-23-48)

### **City Ordinance Setting the Tax Rate**

On the day set for making tax levies, and not later than the third Monday in August, the Mayor and Council must meet and adopt an ordinance that levies upon assessed valuation of property within the city a rate of taxation sufficient to raise the amounts estimated to be required in the annual budget. (Tucson City Charter, Chapter XVIII, Section 7, and Ordinance Number 1142, effective 6-23-48)

## **THE CITY'S BUDGET PROCESS**

While state and city legal requirements dictate certain facets of the budget process, the budget evolves through a number of steps: (1) identification of priorities, (2) a five-year forecast of revenues and expenditures, (3) department requests and the city manager's recommendation, and (4) Mayor and Council adoption.

### **Step 1: Identification of Priorities**

To identify the community's values and priorities, public forums were conducted during the spring and summer of 1997 as part of the Livable Tucson Vision Program. Over 1,200 community members, business people, and city employees participated. Seventeen goals for strengthening the community emerged from these forums. A follow-up citizen survey in 2001 helped to confirm and define the priorities of the community. In addition, the Mayor and council members individually held townhalls throughout the year on budget issues and priorities. These priorities are used by departments and city management to assess programs and projects during the preparation of the budget.

The city's strategic plan was developed to further guide resources towards priority areas and to focus attention on the results to be achieved. In December 2001, the Mayor and Council adopted six focus areas: Transportation, Downtown, Growth, Neighborhoods, Economic Development, and Good Government. Within each focus area, a set of strategies and priority projects were approved. Taken collectively, these projects set the workplan for the city.

### **Step 2: Five-Year Forecast of Revenues and Expenditures**

Each summer a five-year financial forecast—the proforma—is prepared for all sources of funds. This financial forecast takes into consideration economic factors and strategic plans implemented by the city. All departments participate by projecting their expenditures, which are reviewed and modified by the Budget and Research Department. The Finance Department projects revenues. The expenditure and revenue forecasts are collated by the Budget and Research Department and presented to the city manager. The proforma then serves as a baseline from which to develop a balanced budget for the coming year.

### **Step 3: Department Requests and the City Manager's Recommendation**

In the fall, department directors are asked to submit budget requests. Following a review by the Budget and Research Department, each department's requested budget is reviewed by the City Manager. The city manager, acting upon citywide priorities, will revise department requested budgets and prepare a balanced budget for Mayor and Council consideration.

### **Step 4: Mayor and Council Adoption**

As noted earlier, this step in the process is governed by both state and city legal requirements and provides for citizen comment.

*Public Hearings.* Citizens are provided three public hearings to express to the Mayor and Council their opinions and concerns about the recommended budget and property tax levy. The first public hearing is held prior to the Mayor and Council's study session reviews of the recommended budget. The second public hearing is held subsequent to those reviews and the Mayor and Council's tentative adoption of the budget. The third public hearing is a truth in taxation hearing regarding the primary property tax levy.

*Citizens Advisory Committee.* The Mayor and Council have also established a Bond Project Oversight Committee (BPOC). The BPOC tracks the city's use of bond funds through regular committee meetings and attendance at project management reviews.

*Mayor and Council Review and Adoption.* Within the framework of the identified community priorities and the policy initiatives, the Mayor and Council review the city manager's recommended budget during several study sessions. Department directors are available to respond to questions. Following these reviews and public hearings to obtain taxpayer comments, the Mayor and Council adopt the budget and property tax levy.

## FINANCIAL POLICIES AND PRACTICES

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In addition to legal requirements set by state law and the City Charter, the budget is developed and adopted under the guidelines of a series of policies and practices.

### **Balanced Budget**

The city shall adopt a balanced budget so that expenditures approved for city purposes will not exceed the estimate of income expected from all sources, including available balances from prior years. This policy applies to expenditures and revenues within each fund such that each fund is individually balanced. Furthermore, one-time funding sources will only be used for one-time expenditures to avoid a future imbalance that would be caused by funding recurring expenditures with one-time revenues or balances from prior years.

### **Fund Balance**

In September of 2000, the Mayor and Council adopted a policy that the General Fund unreserved fund balance, previously referred to as the strategic reserve, be increased to 7.5% of expenditures by Fiscal Year 2006.

### **Revenue Diversification**

The city cannot meet the growing demand for services without diversifying its revenue base. Although the state places certain restrictions on raising revenues, restrictions due to the City Charter can be lifted if approved by the voters. The city must continue in its efforts to expand revenues such as fees for services, and to remove limitations set by the City Charter where feasible.

### **Fees for Service Pricing Policy**

In 1995 the city developed a pricing policy decision tree to categorize services that should be fully tax supported on one extreme to fully fee supported on the other. If a service benefits a large segment of the community and is considered a public service, then it should be funded with general tax dollars. If the service benefits individuals and is more of a private service, a market-based fee is appropriate. Services that fall in between may be funded by a combination of taxes and fees.

### **Cost of Development**

State legislation requires cities to include a cost of development element in the city's General Plan. Development is required to pay its fair share of the cost of additional public service and needs generated by new development. The General Plan provides a framework for public-private cost sharing of capital facilities needed to serve new development.

### **General Accounting Policies**

The city complies with Generally Accepted Accounting Principles and Governmental Accounting Standards Board statements in accounting for and presenting, financial information. The modified accrual basis of accounting is used for all governmental fund types while other fund types including enterprise funds comply with the full accrual basis of accounting. Encumbrance accounting records purchase orders and other contracts as reservations of balances in each fund and does not recognize outstanding encumbrances as expenditures at year end. Additional information on the basis of accounting as it compares to the budget is found on page E-9.

### **Investment Policy**

The City Charter and state statutes authorize the city to invest in obligations of the U.S. Government, its agencies and instrumentalities, money market funds consisting of the above, repurchase agreements, bank certificates of deposit, commercial paper rated A-1/P-1, corporate bonds and notes rated AAA or AA, and the State of Arizona Local Government Investment Pool. Investment maturities are scheduled so that maturing principal and interest, plus ongoing, non-investment cash flow, is sufficient to cover projected payroll, operating, and capital expenses as these become payable. Funds available for the day-to-day operation of the city may be invested in authorized investments with a final maturity not exceeding three years from the date of the investment. Monies not related to the day-to-day operation of the city, such as bond proceeds, may also be invested for a maximum of three years with maturities based upon anticipated needs.

### **Debt Management Policy**

The city's debt program includes a variety of financing mechanisms to meet long-term capital needs of the community. In all cases, the city aggressively manages

the debt program with the assistance of a financial advisor and bond counsel. Restructuring, refinancing, and advance bond refunding are used to limit the city's debt service costs and to provide maximum future borrowing flexibility.

**STATEMENT REQUIRED BY ARIZONA REVISED STATUTES §42-17102  
RELATIVE TO PROPERTY TAXATION**

**PRIMARY AND SECONDARY TAX LEVIES  
FISCAL YEARS 2005 AND 2006**

Property Tax	Adopted FY 2005 Levy	Actual FY 2005 Levy	FY 2006 Levy	FY 2006 Maximum Levy Amount	Amount of Levy Increase/ (Decrease)	Percentage Levy Increase/ (Decrease)
Primary	\$ 8,812,120	\$ 8,746,464	\$ 9,084,560	\$ 9,241,073 <sup>1</sup>	\$ 338,096	3.9% <sup>2</sup>
Secondary	21,336,520	21,274,250	24,235,450 <sup>3</sup>	20,676,920	2,961,200	13.9%
Total	<u>\$ 30,148,640</u>	<u>\$ 30,020,714</u>	<u>\$ 33,320,010</u>	<u>\$ 29,917,993</u>	<u>\$ 3,299,296</u>	<u>11.0%</u>

Property Tax	Actual FY 2005 Rate	Estimated FY 2006 Rate <sup>4</sup>	Amount Rate Increase/ (Decrease)	Percentage Rate Increase/ (Decrease)
Primary	\$ 0.3531	\$ 0.3531	0.0000	0.0%
Secondary	0.8316	0.8895	0.0579	7.0%
Total	<u>\$ 1.1847</u>	<u>\$ 1.2426</u>	<u>\$ 0.0579</u>	<u>4.9%</u>

<sup>1</sup> The primary property tax levy is shown at the estimated maximum possible amount. The actual maximum amount may be less.

<sup>2</sup> The primary property tax levy is limited to an increase of two percent over the previous year's maximum allowable primary levy plus an increased dollar amount due to a net gain in property not taxed in the previous year. The net new property factor is included in the calculation to take into account all new construction and property annexed in the last year.

<sup>3</sup> Sales of \$25 million and \$14 million in general obligation bonds are assumed for 2005 and 2006, respectively.

<sup>4</sup> Both of these rates may differ depending upon the final actual assessed valuations.

**CITY OF TUCSON  
PROPERTY TAX SUMMARY**

Taxing Jurisdiction	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
<b>Property Tax Rates (Per \$100 of assessed value)</b>										
State of Arizona	\$ 0.47	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Pima County <sup>1</sup>	5.28	5.24	5.34	5.41	5.74	5.72	5.68	5.60	5.57	5.56
Tucson Unified School District <sup>2</sup>	6.29	6.99	6.46	6.26	6.03	6.05	5.86	5.74	5.69	5.51
Pima Community College	1.22	1.24	1.18	1.19	1.37	1.56	1.55	1.53	1.49	1.34
Flood Control District	0.36	0.36	0.33	0.32	0.30	0.30	0.35	0.35	0.35	0.35
Fire District	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.04	0.04	0.04
Central Arizona Project (CAP) - Conservation District	0.14	0.14	0.14	0.14	0.14	0.13	0.13	0.13	0.12	0.12
Sub-Total without the City of Tucson	\$ 13.81	\$ 14.02	\$ 13.50	\$ 13.37	\$ 13.63	\$ 13.81	\$ 13.62	\$ 13.39	\$ 13.26	\$ 12.92
City of Tucson	1.15	1.15	0.99	0.96	1.02	1.13	1.12	1.12	1.16	1.18
Total <sup>3</sup>	\$ 14.96	\$ 15.17	\$ 14.49	\$ 14.33	\$ 14.65	\$ 14.94	\$ 14.74	\$ 14.51	\$ 14.42	\$ 14.10
Percent increase/(decrease) from prior year	1.0%	1.4%	(4.5%)	(1.1%)	2.2%	2.0%	(1.3%)	(1.6%)	(0.6%)	(2.2%)
<b>Assessed Valuation</b>										
Primary (billions)	\$ 1.530	\$ 1.582	\$ 1.727	\$ 1.830	\$ 1.887	\$ 1.999	\$ 2.088	\$ 2.203	\$ 2.344	\$ 2.477
Secondary (billions)	\$ 1.569	\$ 1.599	\$ 1.819	\$ 1.904	\$ 1.945	\$ 2.049	\$ 2.138	\$ 2.269	\$ 2.427	\$ 2.558

<sup>1</sup> Includes the Education Assistance rate (\$0.46 in Fiscal Year 2004).

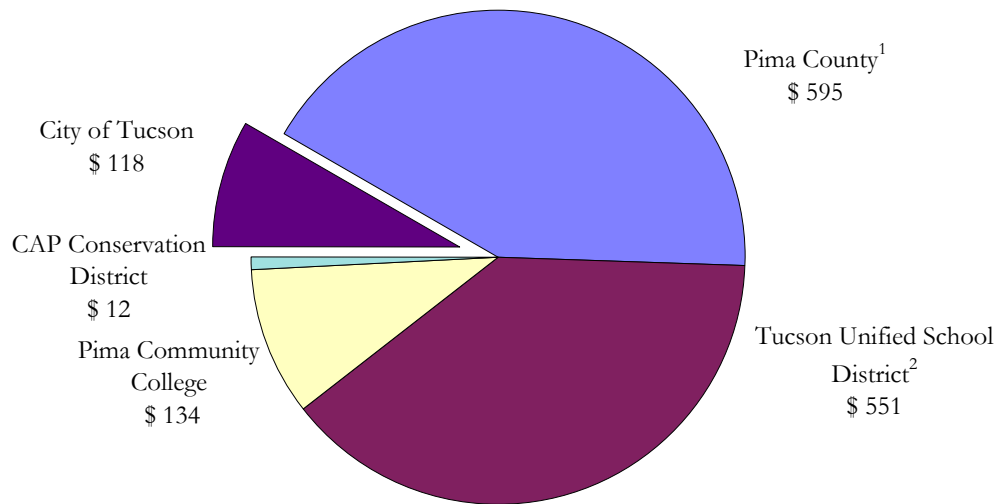
<sup>2</sup> Tucson Unified School District tax levy reflects State Aid to Education reduction (\$2.82 in Fiscal Year 2004).

<sup>3</sup> Does not include any special assessment districts.



**City of Tucson**  
**Residential Property Owner Tax Valuation**  
**Fiscal Year 2005 Property Taxes**

Owner-Occupied Home with Assessed Valuation of \$100,000



	Tax Rate Per \$1,000	Total Tax Amount <sup>3</sup>	Percent of Total
Pima County <sup>1</sup>	\$ 5.95	\$ 595.00	42.2%
Tucson Unified School District <sup>2</sup>	5.51	551.00	39.1%
Pima Community College	1.34	134.00	9.5%
Central Arizona Project (CAP) Conservation District	0.12	12.00	0.9%
Sub-Total	\$ 12.92	\$ 1,292.00	91.6%
City of Tucson	1.18	118.00	8.4%
Total	\$ 14.10	\$ 1,410.00	100.0%

<sup>1</sup> Includes Flood Control, Free Library District, and Fire District tax rates.

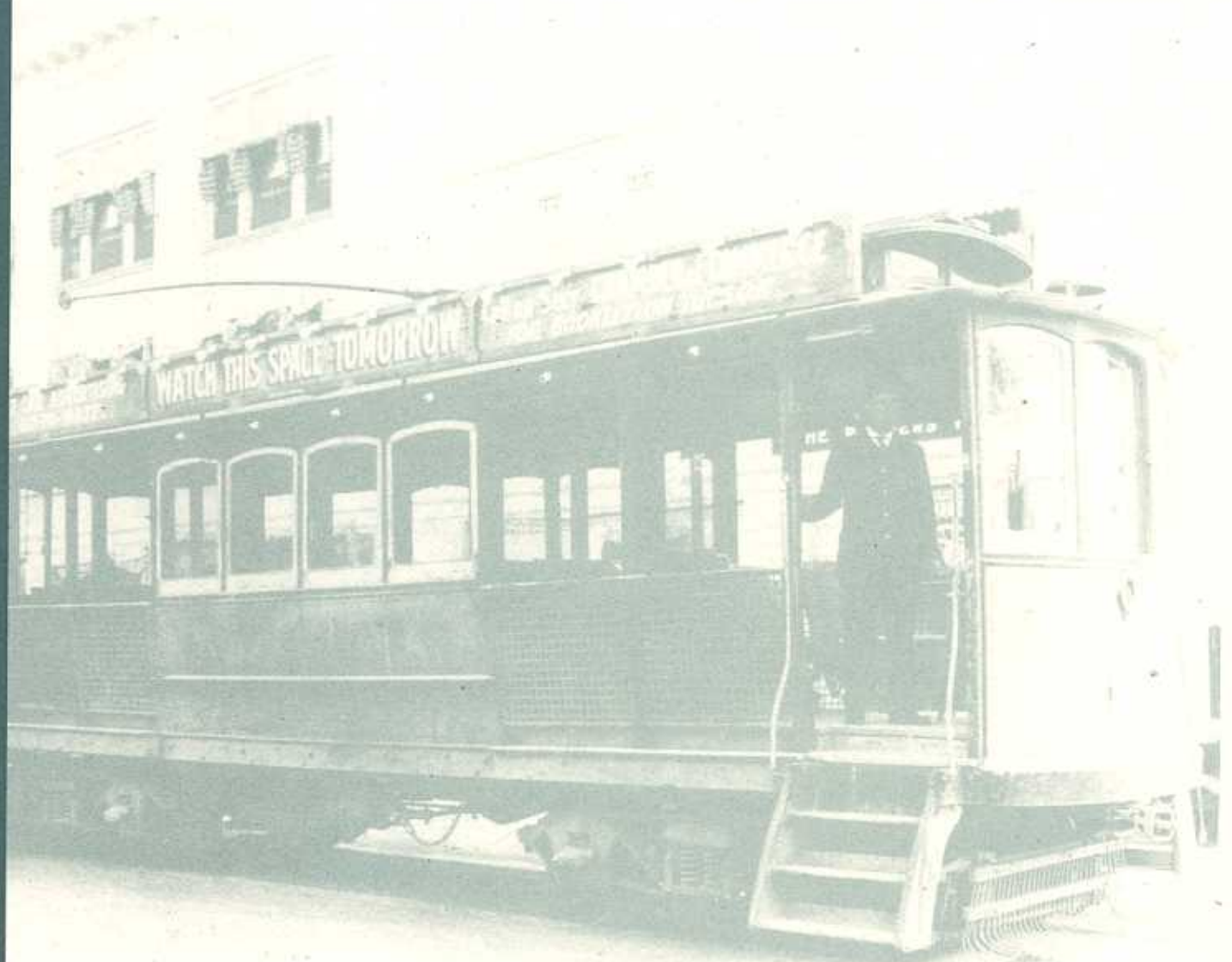
<sup>2</sup> Tucson Unified School District actual levy after decrease for State Aid to Education.

<sup>3</sup> The tax amount is calculated on 10% of the assessed value for tax purposes.

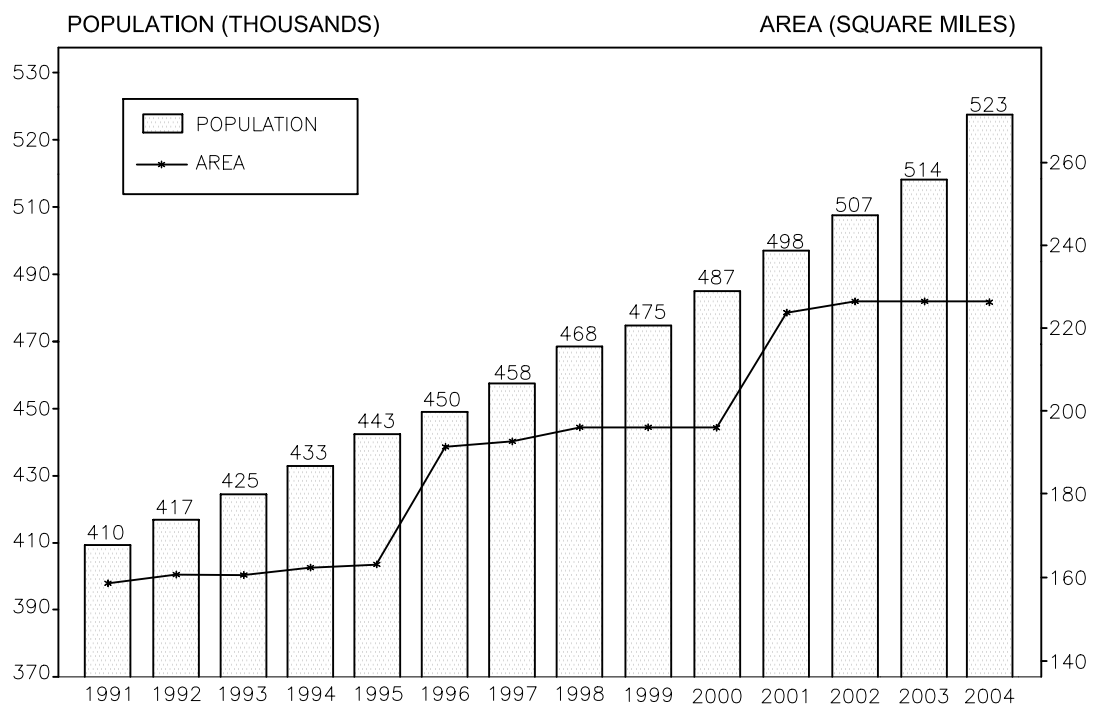
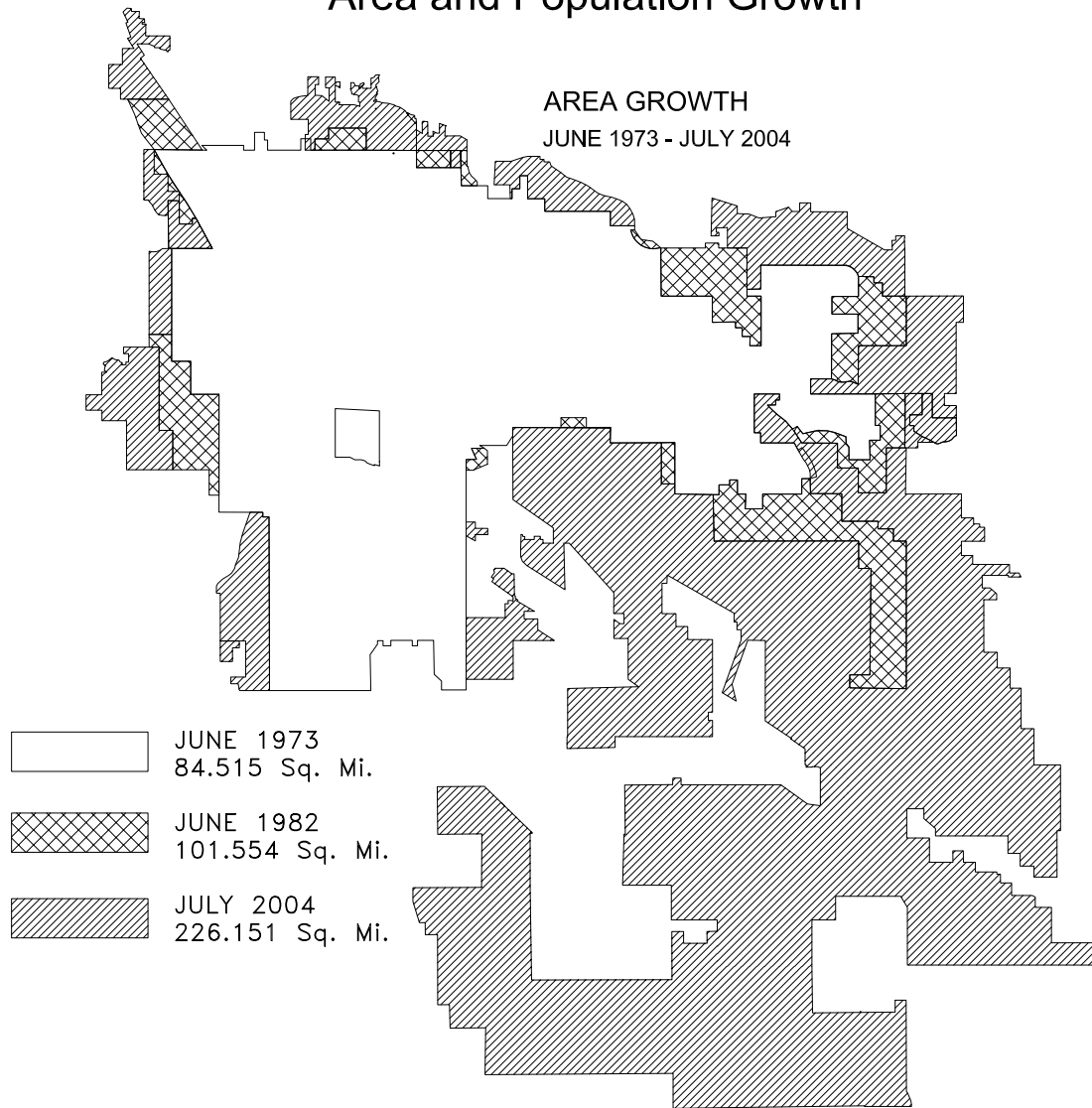


## SECTION D

# COMMUNITY STATISTICAL PROFILE



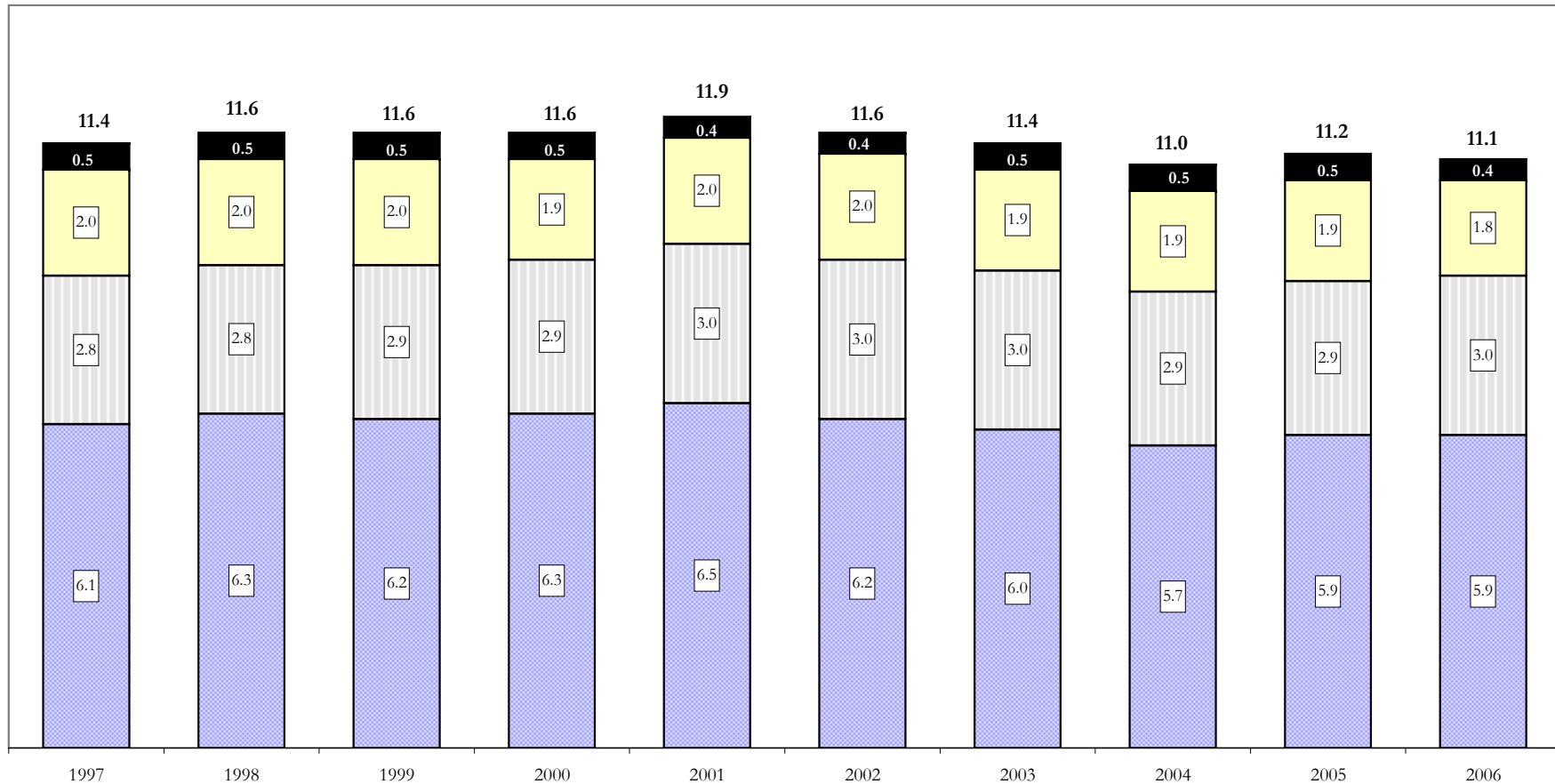
# City of Tucson Area and Population Growth



NOTE: Population figures are for July 1 of each year.

## NUMBER OF CITY EMPLOYEES PER 1,000 POPULATION

Recurring Revenues
  Commissioned Public Safety Personnel
  Grant-Funded Positions
  Enterprise\*



\* Includes Environmental Services, Golf, and Water. Beginning in Fiscal Year 2005 Environmental Services became an enterprise department, however, prior year data has been revised for consistency.

## SELECTED ECONOMIC INDICATORS

### Tucson Metro Area

Description	2004	Calendar Year		2007
		2005	2006	
Personal Income (Billions of Dollars)	\$ 23.920	\$ 25.512	\$ 27.395	\$ 29.307
Percentage Change from Prior Year	5.3	6.7	7.4	7.0
Retail Sales-Excluding Food (Billions of Dollars)*	\$ 7.794	\$ 8.235	\$ 8.685	\$ 9.102
Percentage Change from Prior Year	6.7	5.7	5.5	4.8
Residential Building Permits (Units)	10,410	10,778	10,974	10,257
Percentage Change from Prior Year	25.3	3.5	1.8	(6.5)
Population (000)**	931.2	955.5	983.3	1,009.3
Percentage Change from Prior Year	2.2	2.6	2.9	2.6
Wage and Salary Employment (000)	352.8	366.5	379.2	389.4
Percentage Change from Prior Year	1.6	3.9	3.5	2.7
Employment/Population Ratio	.379	.384	.386	.386
Real Per Capita Disposable Income (2002 Dollars)	\$ 12,056	\$ 12,263	\$ 12,537	\$ 12,795
Percentage Change from Prior Year	0.9	1.7	2.2	2.1
Annual Earnings Per Worker	\$ 35,250	\$ 36,434	\$ 37,869	\$ 39,388
Percentage Change from Prior Year	3.4	3.4	3.9	4.0
Consumer Price Index (CPI) Western Region (percent change)	2.3	1.8	1.7	1.9
Personal Consumption Deflator (percent change)	2.2	1.7	1.7	2.0
Gross Domestic Product (GDP) Implicit Price Deflator (percent change)	2.2	2.0	1.8	1.8
Gasoline Sales (Millions of Gallons)	381.0	397.4	415.7	425.8
Percentage Change from Prior Year	(1.0)	4.3	4.6	2.4

**Source:** Economic Outlook, February 2005, Economics and Business Research Program, Eller College of Business and Public Administration, The University of Arizona.

\*Calculated by combining retail sales (less food) with restaurant and bar sales.

\*\*Population projections were made prior to Census 2000 using different base data than the population data on page D-6.

# COMMUNITY PROFILE

## TUCSON - Combining a Rich History with a Bright Future

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*Permanent settlements were built in Tucson nearly 2,000 years ago by people of the Hohokam culture.*



### **A Long History of Many Cultures**

The Hohokam culture thrived in this region until it suddenly declined during the fourteenth century. Native American cultures believed to be descendants of the Hohokam were joined by new arrivals from Spain, Mexico, and the eastern United States.

Mission San Xavier del Bac, the “White Dove of the Desert,” was established by the Franciscan Order in the late 1600s and still serves the Tohono O’Odham Native American community. The mission was recently restored, with the cleaning of interior frescoes painted by European artists who trained local Tohono O’Odham tribal members in the craft.

More than 300 years after Tucson’s founding as a mission site, the “Old Pueblo” continues to grow and celebrate its diverse cultural influences.

### **An Interesting Place to Live**

Located in the Sonoran Desert, Tucson is surrounded by mountain ranges and lush desert valleys. Tucsonans enjoy over 300 days of sunshine each year and an average temperature of 82 degrees.

In *Money Magazine’s* 1998 ranking of 300 cities, Tucson was selected as the fifth “Best Place to Live” for medium-size cities in the West.

*Prevention Magazine*, April 2004 issue, in conjunction with the American Podiatric Medical Association (APMA), ranked Tucson 9th for cities that are best suited for fitness and walking for 2003. Any place can be a good place to walk, but the APMA and Prevention found the 12 Best Walking Cities in the U.S. to be true urban oases, proving how easy and enjoyable walking can be.

Tucson was ranked 8th in the “Top 25 Cities for doing Business in America” (medium sized cities) in *Inc. Magazine’s* March 2004 issue. According to *Inc.*, cities like Tucson were selected because they have continued to grow in a tough economy and create good opportunities for entrepreneurs.

Leisure activities are abundant. The Tucson area has more than 27,000 acres of park lands. In the nearby mountains and deserts, there are many places to camp, hike, and fish; the southern Arizona region is ranked one of the five best areas in the United States for bird watching. Golfing is available year-round on over 30 public and private golf courses, and the Tucson area annually hosts Professional Golfers’ Association (PGA) and Ladies Professional Golf Association (LPGA) golf tournaments. In the winter, skiing is only a one-hour drive from Tucson.

The University of Arizona provides a full range of intercollegiate athletic events. The women’s softball team has won repeated National Collegiate Athletic Association (NCAA) championships. The men’s basketball team won the NCAA championship in 1997 and were runners up in the championship in 2001. Tucson



is the spring training home for three major league baseball teams: Arizona Diamondbacks, Chicago White Sox, and Colorado Rockies. The Tucson Sidewinders, a minor league (AAA) affiliate of the Arizona Diamondbacks, offers a full schedule of summer baseball. In addition, Tucson is the new home of the Arizona Heat, of the National Pro Fast Pitch softball league.

Tucson provides opportunities to stimulate the mind as well as the body. The University of Arizona offers undergraduate, graduate, and doctoral degree programs and has an extension program open to the public. Pima Community College is the fifth largest multi-campus community college in the nation and offers courses in 64 program areas.

There are over 215 arts groups and over 35 art galleries in Tucson. Tucson's downtown arts district hosts over 800 arts and cultural events annually, with many other events and fairs available throughout Tucson. Many museums and other attractions are located in the Tucson area. Included are the Tucson Museum of Art, the Arizona Historical Society Museum, the Arizona State Museum, the Center for Creative Photography, the Tucson Children's Museum, the Fort Lowell Museum, the Pima Air and Space Museum, Biosphere 2, the Tucson Botanical Gardens, the Reid Park Zoo, the Flandrau Planetarium, the Kitt Peak National Observatory, the San Xavier del Bac Mission, and the Arizona-Sonora Desert Museum (rated as one of America's top ten zoos by *Parade Magazine*).

### **We Mean Business**

Tucson's business environment is as agreeable as its natural climate. Tourism, which accounted for over \$1.8 billion in the past year, will continue to be a major contributor to the region's economic base. Not just the service sector is booming; manufacturing employment in metropolitan Tucson has more than doubled in the past ten years. Tucson is home to a premier research institution—the University of Arizona—and is recognized as one of the megatrend cities for the 21st century with its emerging presence as a center for optics, astronomy, and health services.

### **Balancing Growth and Preservation**

The City of Tucson, incorporated in 1877, is the second largest city in the State of Arizona. Tucson is forecast to have a population of over 529,000 in 2005. As with many communities in the West, growth has occurred at the edges of the urban area.

*City leaders are committed to ensuring that growth will complement existing neighborhoods.*

To ensure that areas in the central city remain attractive places to live and work, the City of Tucson works with neighborhoods through the Department of Neighborhood Resources and has initiated a *Back to Basics* program that directs financial resources to targeted areas. The aim of *Back to Basics* is to maintain and improve neighborhoods by collaborating with residents, businesses, and schools. Neighborhood residents are able to choose from a menu of options to determine for themselves how the financial resources are applied. Because "downtown is everyone's neighborhood," a special program has also been established to enhance downtown as a business, cultural, and residential area.



# COMMUNITY PROFILE

## Key Statistics

### City Government

By charter from the State of Arizona, the City of Tucson is governed by a Mayor and Council. Council member candidates are nominated in primary elections in each of the six wards, but are elected in citywide elections. The Mayor is nominated and elected citywide. The Mayor and Council set policy and appoint a city manager to provide the general supervision and direction for city government operations. Tucson is the county seat for Pima County. Pima County is the second largest county in population in Arizona.

### Demographics

Tucson is growing: 45th largest city in 1980, 34th largest in 1990, and the 30th largest in 2000.

#### Population

	Tucson	Pima County
1990	405,390	666,880
2000	486,699	843,746
2003	514,725	910,950
2004	521,605	931,210
2005*	529,000	955,800
2006*	540,480	976,000

#### Land Area

1990	158.30 square miles
1998	194.15 square miles
1999	194.36 square miles
2000	196.32 square miles
2001	223.36 square miles
2002	226.10 square miles
2003	226.13 square miles
2004	226.15 square miles
2005*	226.55 square miles

#### Land Use, 1990

Undeveloped	38.72%
Residential	30.70%
Commercial	5.83%
Government	4.48%
Industrial	4.11%
Open Space	4.02%
Agricultural	1.04%
Other	11.10%

#### Racial/Ethnic Composition, 2000

White, Non-Hispanic	54.2%
Hispanic	35.7%
Black	4.1%
Native American	1.6%
Asian/Pacific Islander	2.5%
Other	1.9%

#### Median Age

1970	25.7 years
1980	28.3 years
1990	30.8 years
2000	32.1 years

\*Projected figures from the City of Tucson Department of Urban Planning and Design assuming normal annexation rates.

## Economy



For the next five years, Tucson is projected to be the 13th most rapidly growing metropolitan area in the United States for employment.

### Major Employers - Southern Arizona, 2004\*

(Based on number of full-time equivalent positions)

U.S. Army Fort Huachuca	12,250
University of Arizona	10,348
Raytheon Systems Company	10,300
State of Arizona	9,750
Davis-Monthan Air Force Base	8,727
Tucson Unified School District	7,684
Pima County	6,767
City of Tucson	5,897**
Wal-Mart	4,595
Phelps Dodge Mining Company	4,500
Carondelet Health Network	3,746
Tohono O'Odham Nation	3,665
Tucson Medical Center HealthCare	3,135
University Medical Center	2,918
Pascua Yaqui Tribe	2,500
U.S. Border Patrol	2,300
Pima Community College	2,226

### Total Employment

(Pima County)

1990	321,700
2000	444,400
2001	443,900
2002	448,900
2003	450,800
2004	457,800

### Unemployment Rates

(Pima County)

1990	4.6%
2000	2.8%
2001	3.5%
2002	4.6%
2003	4.2%
2004	3.7%

### Annual Rate of Earnings

(Per worker in current dollars)

1990	\$21,598
2000	\$31,475
2001	\$32,272
2002	\$33,160
2003	\$34,079
2004	\$35,250

### Building Permits Issued

	Residential	Commercial	Industrial
2000	2,689	236	17
2001	2,712	140	8
2002	2,719	191	17
2003	2,497	208	7
2004	2,430	268	16

\*Source: "Star Two Hundred," *The Arizona Daily Star*, March 13, 2005.

\*\*City of Tucson's Fiscal Year 2005 Adopted Budget includes 5,897.26 full-time equivalent positions.

## City Services



The City of Tucson is committed to providing appropriate and equitable levels of service to all of its citizens. Some examples are listed below.

### Neighborhood Resources

Parks (District, Neighborhood, School, Regional, and Open Space)	136
Recreation Centers	12
Neighborhood/Senior Centers	6
After-School Program Sites	54
Senior Citizen Program Sites	13
Municipal Swimming Pools	27
Municipal Golf Courses	5
Tennis Court Sites	17
Playfields	250
Libraries	24
Bookmobiles	2

### Environmental Services

Tons of Waste Collected	547,270
Tons of Material Recycled	46,489
Number of Christmas Trees Mulched or Composted	35,697

### Transportation

Number of Street Miles Maintained	1,736
Miles of Bikeways	445
Miles of Drainageway	1,154
Number of Street Lights	15,924
Annual Miles of Fixed-Route Bus Service	7,982,000
Annual Miles of Paratransit Service	3,615,844
Traffic Signals	464

### Tucson Water

Miles of Water Lines	4,360
Number of Water Connections	215,000
Millions of gallons of potable water storage capacity	287
Billions of gallons of potable water delivered annually	36

### Public Safety

Number of Commissioned Law Enforcement Personnel	1,028
Average Police Emergency Response Time (in minutes)	4.8
Average Police Response Time for All Emergency, Critical, Urgent, and General Response Calls (in minutes)	36.2
Number of Commissioned Fire Personnel	590
Annual Number of Structural Fire Runs	700
Annual Number of Paramedic Runs (Advanced Life Support only)	18,155
Annual Number of Other Emergency Responses	50,595
Number of Paramedic Personnel	134

## BENCHMARKING PROJECT

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In recent years, the City of Tucson has used performance goals and project management to increase its accountability and assess effectiveness. Another way to measure municipal performance is to benchmark with other cities. This is commonly done in the private sector, particularly in health care and education, to compare effectiveness of organizations in the same business. For example, universities are often ranked on the quality of their freshman classes and how well students do as undergraduates. Measures such as Scholastic Aptitude Test/American College Test scores, faculty to student ratios, educational expenses per student, graduation rates, and alumni giving rates are widely used. Municipalities are just beginning to use the benchmarking technique. Included in this section are benchmarks comparing the City of Tucson's metropolitan area with ten other metropolitan areas (see map on page D-10).

These metropolitan areas, some larger and some smaller than Tucson, were chosen because of their western geography and governance, their ethnic distribution and economic variety, and their cultural and historical traditions—a combination that allows the comparison of similar and dissimilar urban elements. The other metropolitan areas used are Albuquerque, Austin, Colorado Springs, Denver, El Paso, Las Vegas, Phoenix-Mesa, Salt Lake City, San Antonio, and San Diego. The Tucson metro area was compared with these other areas to determine how it compares economically and demographically. The benchmarks included in this section, comprised of ten economic benchmarks and six demographic benchmarks, are listed below and displayed in a series of graphs on the pages that follow.

### **Economic Benchmarks**

- Metro Area 2002 Average Annual Wage, page D-11
- Metro Area 2002 Wage and Salary Employment, Number of Jobs Per 1,000 Population, page D-11
- Metro Area 2000 Percent of Population Below Poverty Level, page D-12
- Metro Area 2003 Cost of Living Index (adjusted for Tucson's cost of living), page D-12
- Metro Area 2003 Cost of Groceries Index (adjusted for Tucson's cost of groceries), page D-13
- Metro Area 2003 Cost of Housing Index (adjusted for Tucson's cost of housing), page D-13
- Metro Area 2003 Cost of Transportation Index (adjusted for Tucson's cost of transportation), page D-14
- Metro Area 2003 Cost of Health Care Index (adjusted for Tucson's cost of health care), page D-14
- Percentage of Households That Use a Personal Computer, page D-15
- Metro Area 2000 Mean Travel Time to Work, In Minutes, page D-15

### **Demographic Benchmarks**

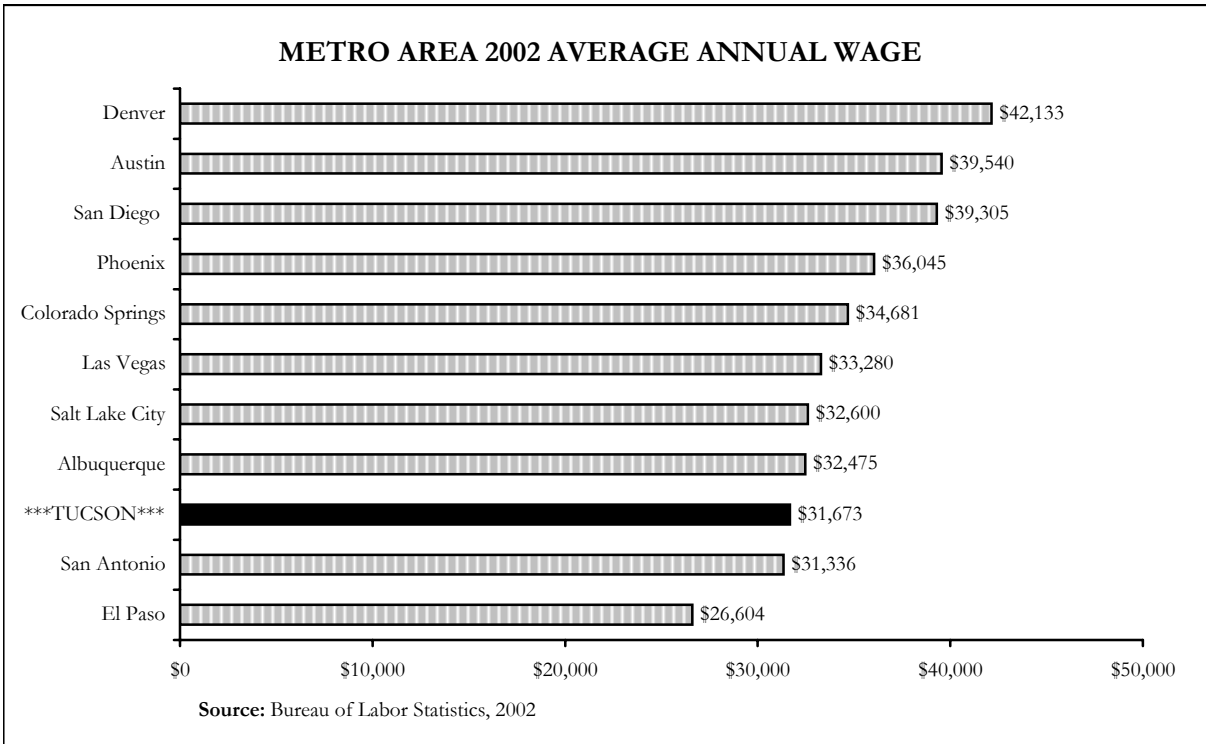
- Percent of 2000 Metro Population Less Than 18 Years Old, page D-16
- Percent of 2000 Metro Population Greater Than 64 Years Old, page D-16
- 2000 Average Number of Persons Per Household, page D-17
- 2000 Infant Death Rate Per 1,000 Population, page D-17
- 2000 High School Diploma, Percent of Population 25 Years Old and Older, page D-18
- 2000 Bachelor Degree, Percent of Population 25 Years Old and Older, page D-18

## Benchmark Metropolitan Cities and 2000 Populations



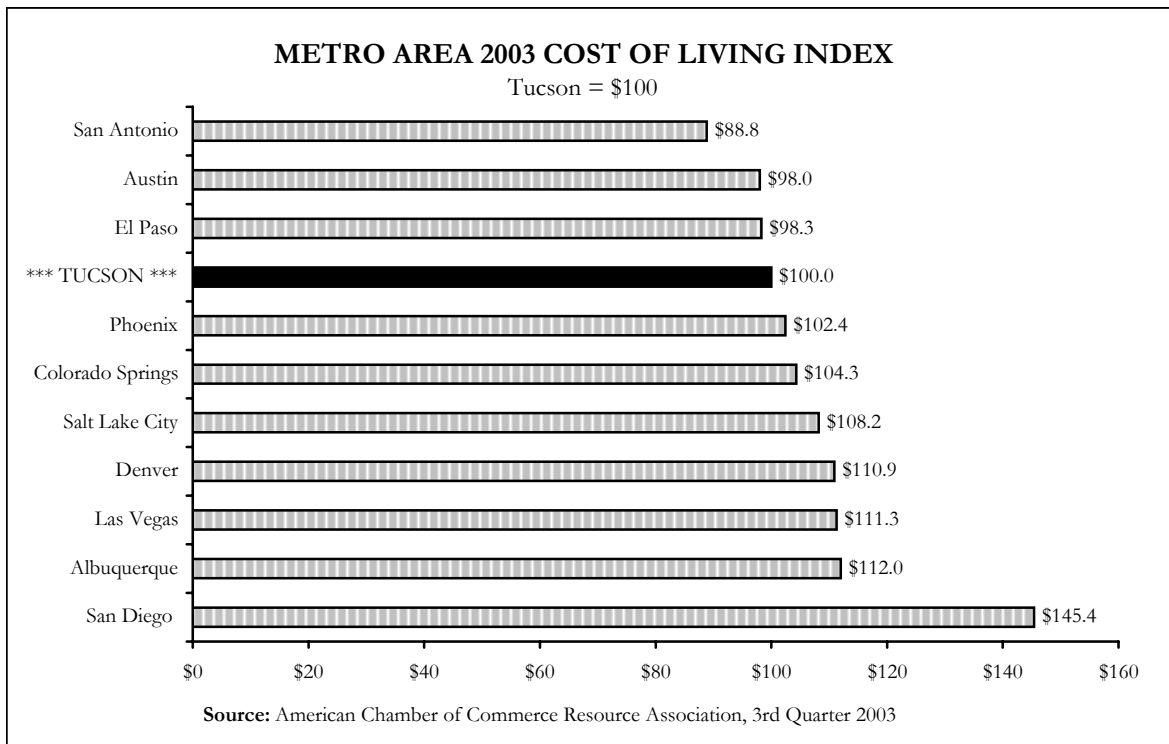
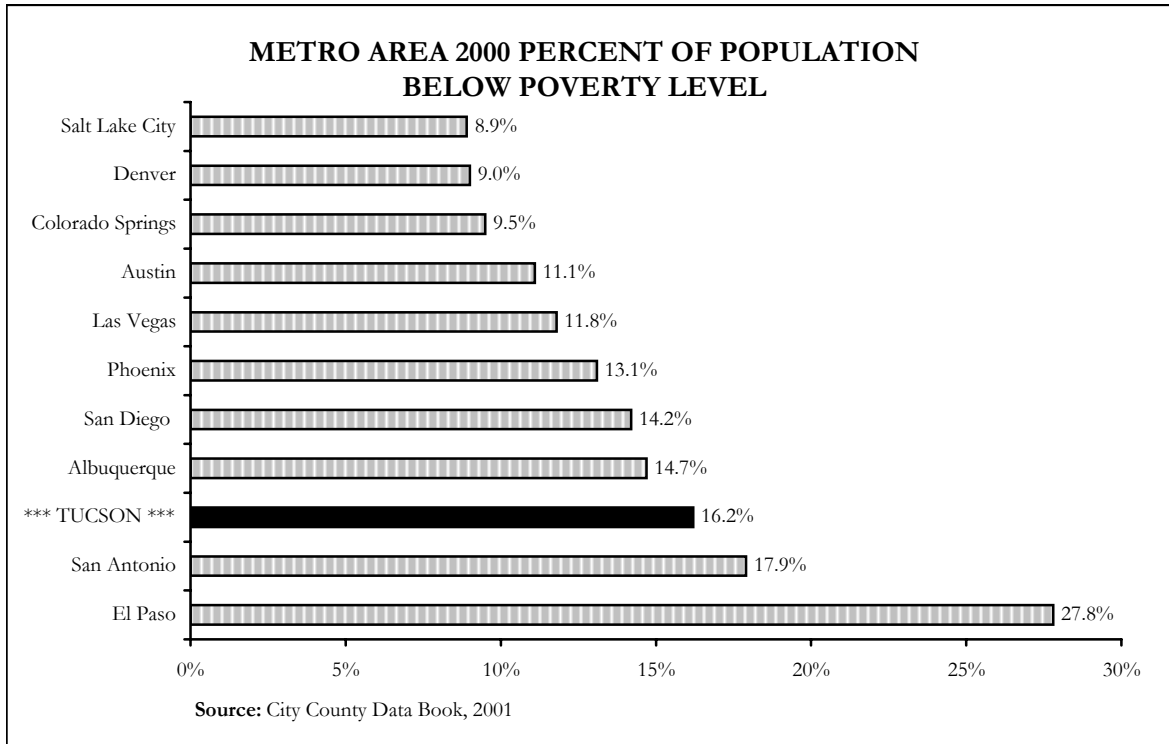
# ECONOMIC BENCHMARKS

Selected Regional Cities Benchmarked With Tucson



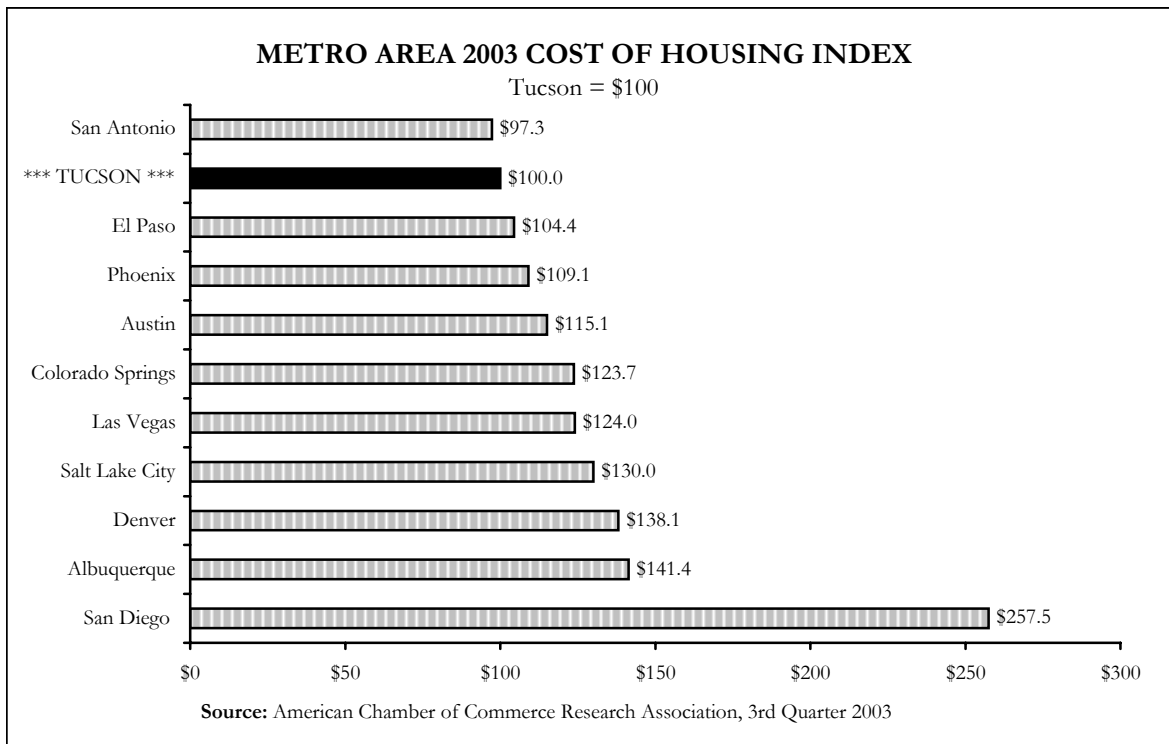
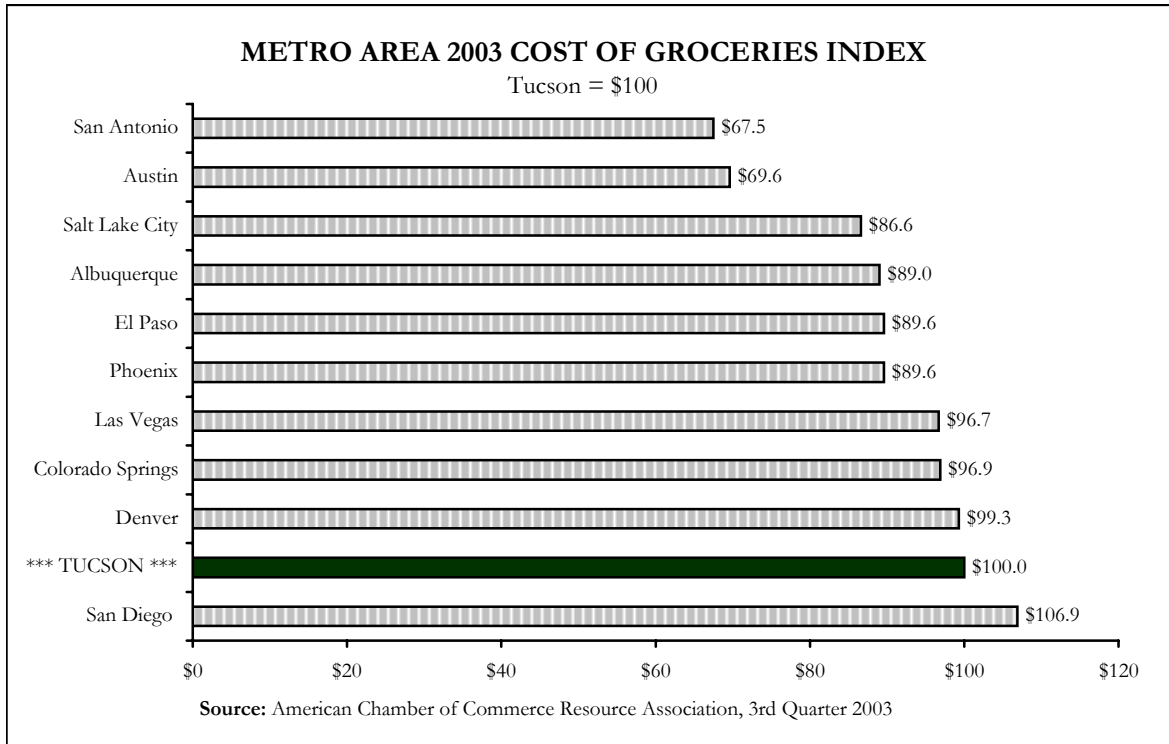
# ECONOMIC BENCHMARKS

Selected Regional Cities Benchmarked With Tucson



# ECONOMIC BENCHMARKS

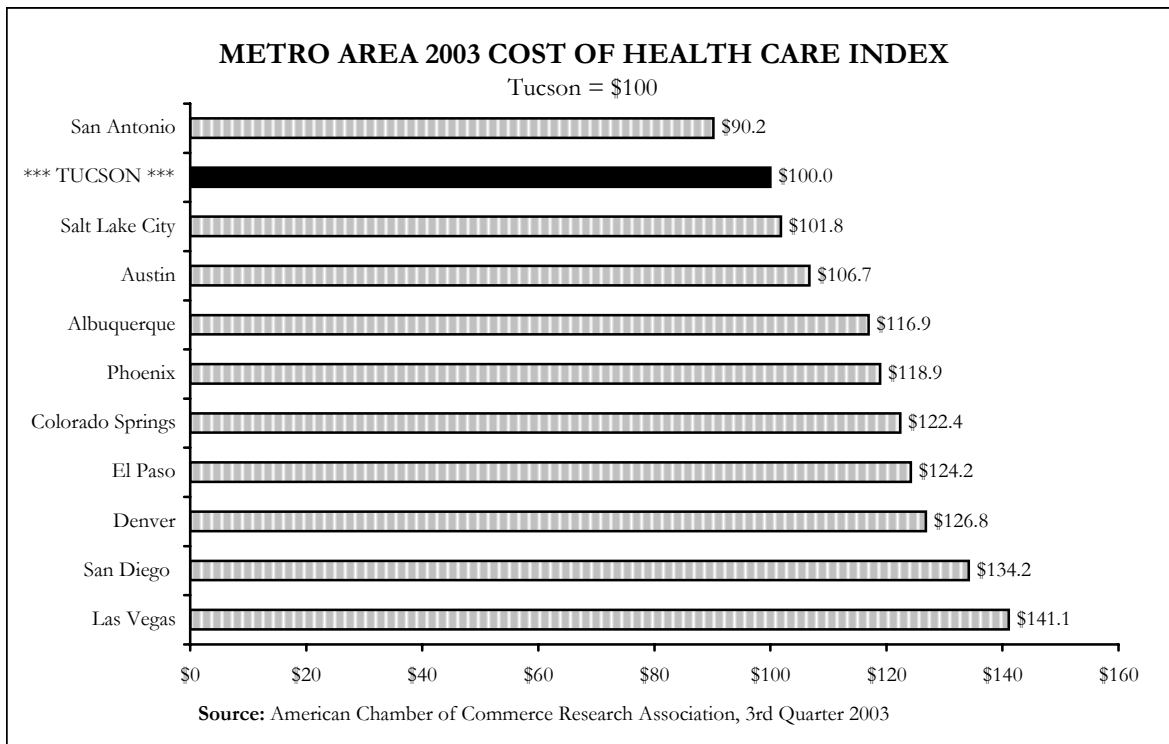
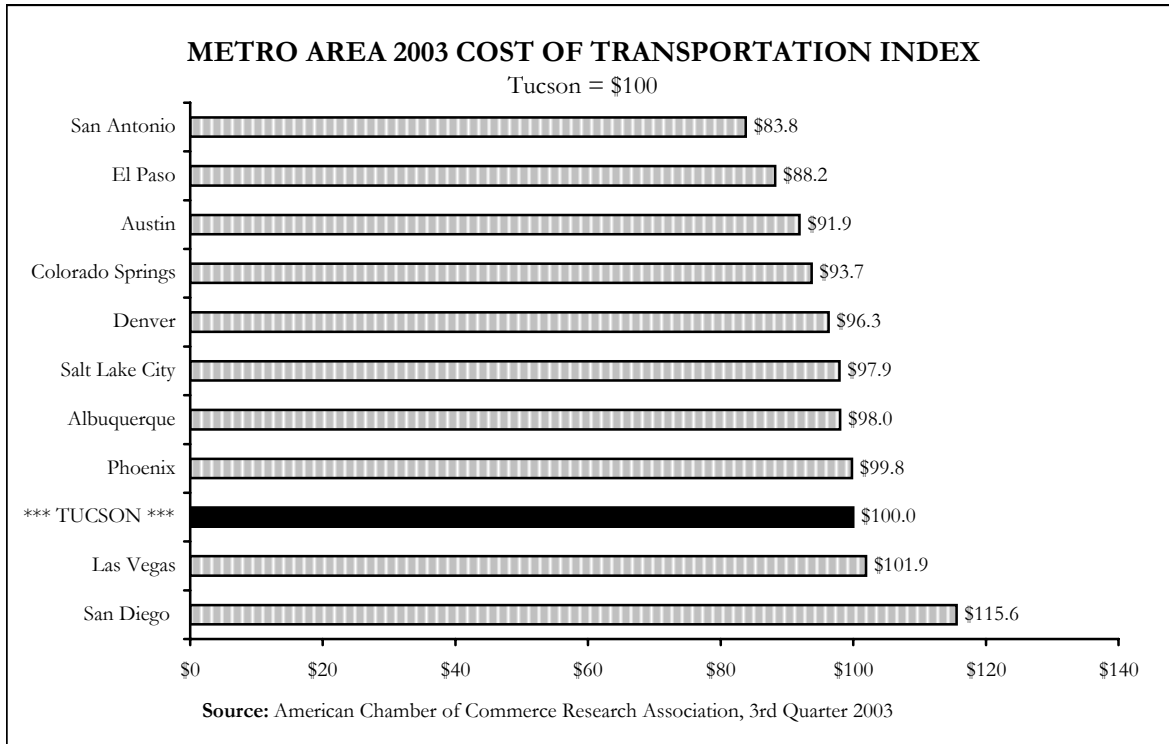
Selected Regional Cities Benchmarked With Tucson





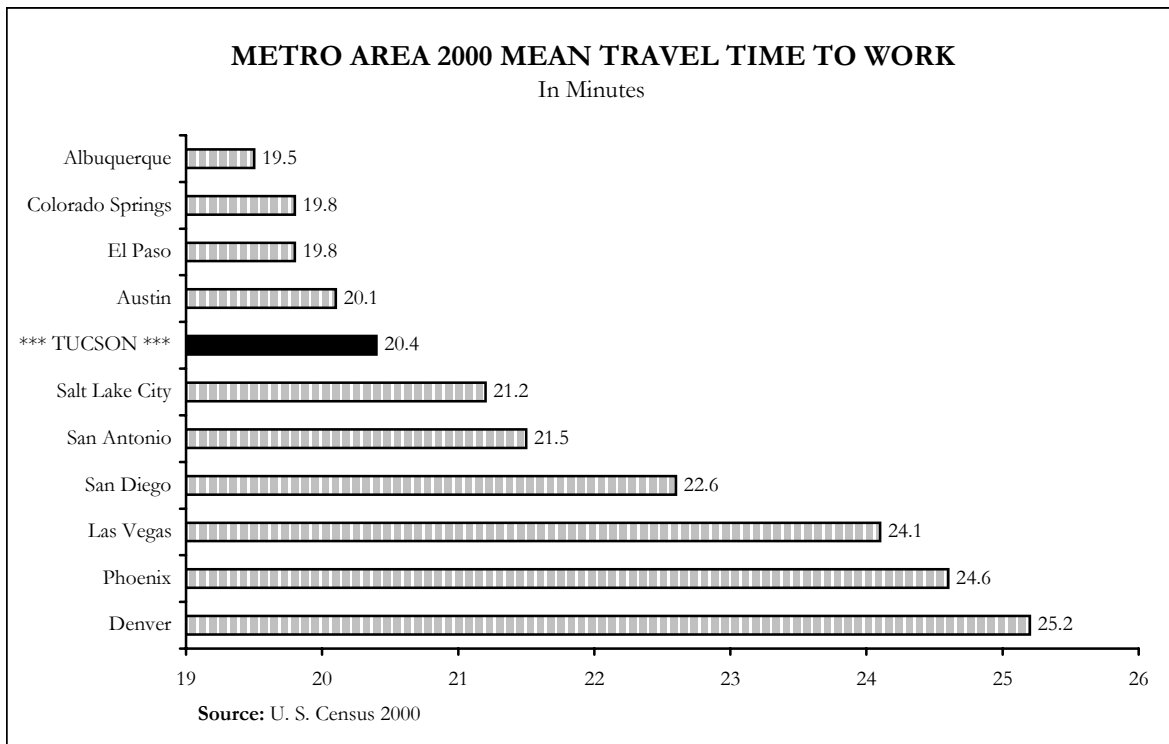
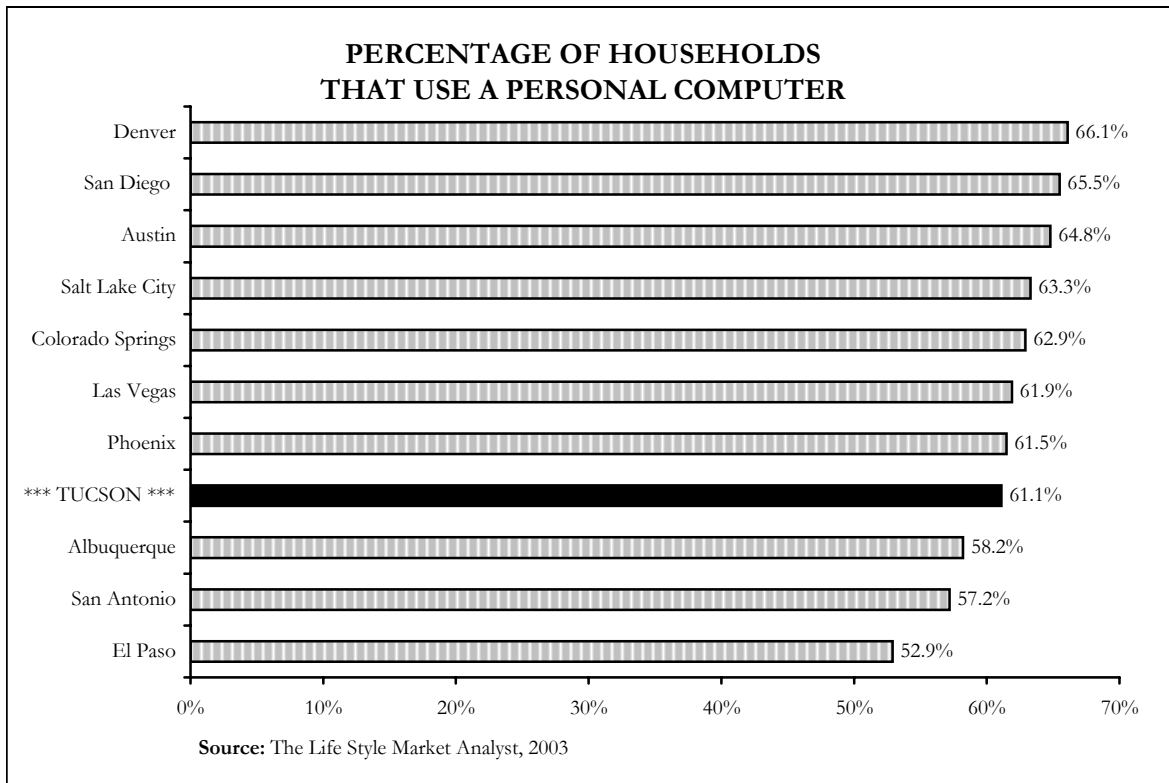
# ECONOMIC BENCHMARKS

Selected Regional Cities Benchmarked With Tucson



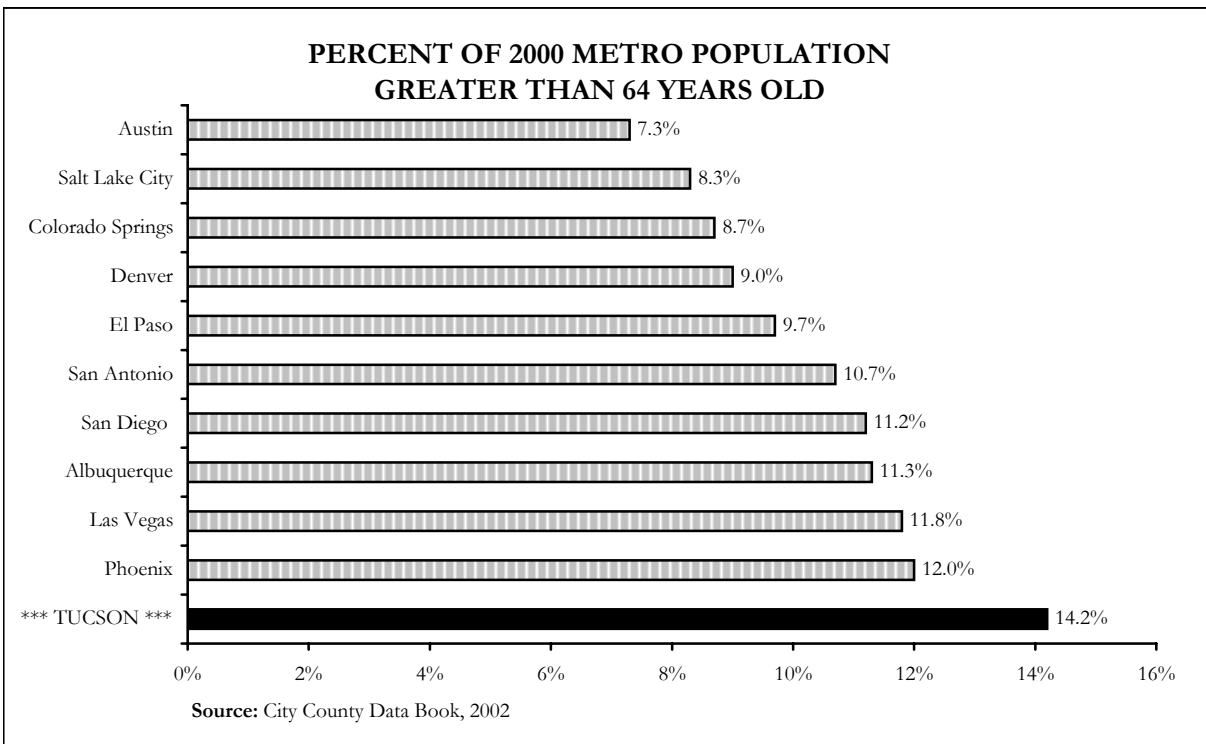
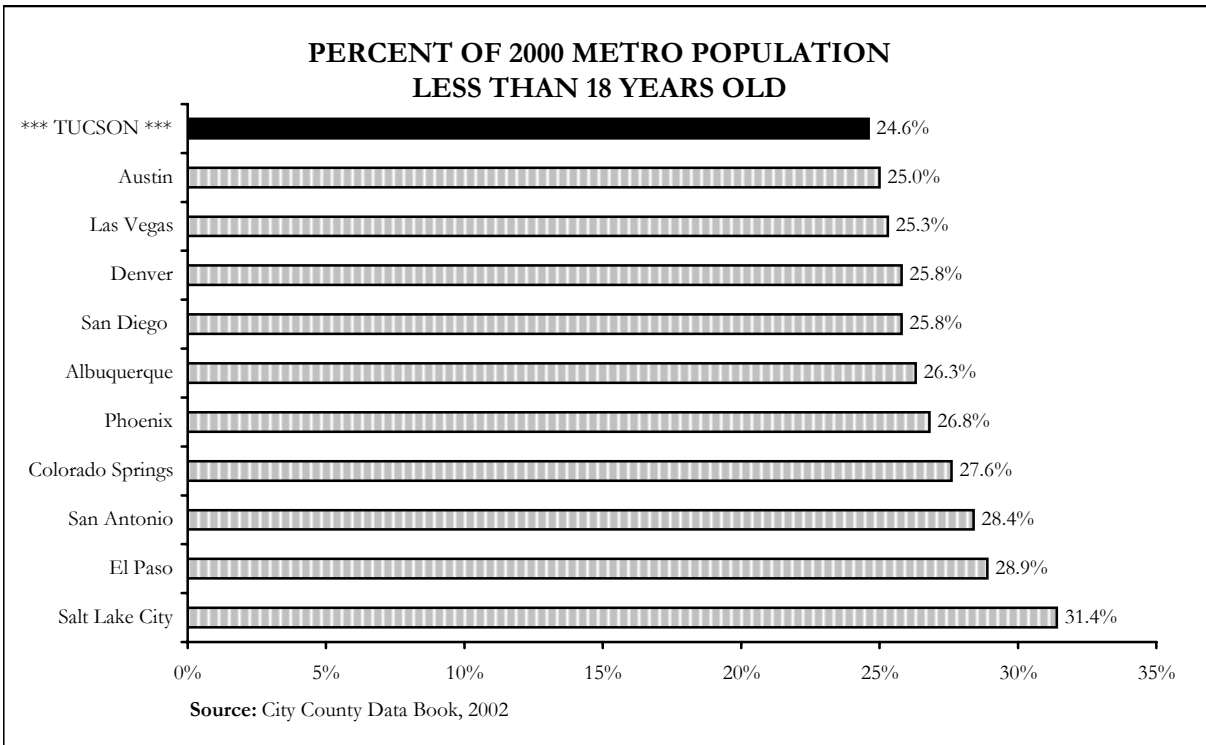
# ECONOMIC BENCHMARKS

Selected Regional Cities Benchmarked With Tucson



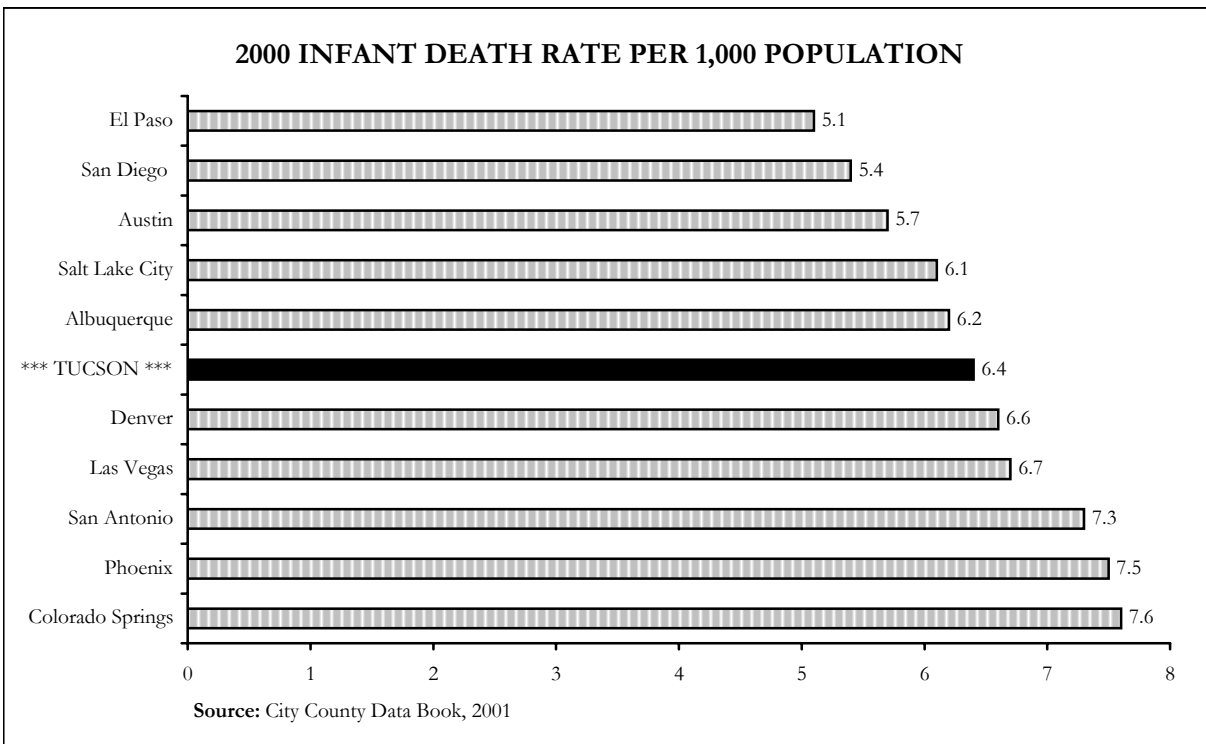
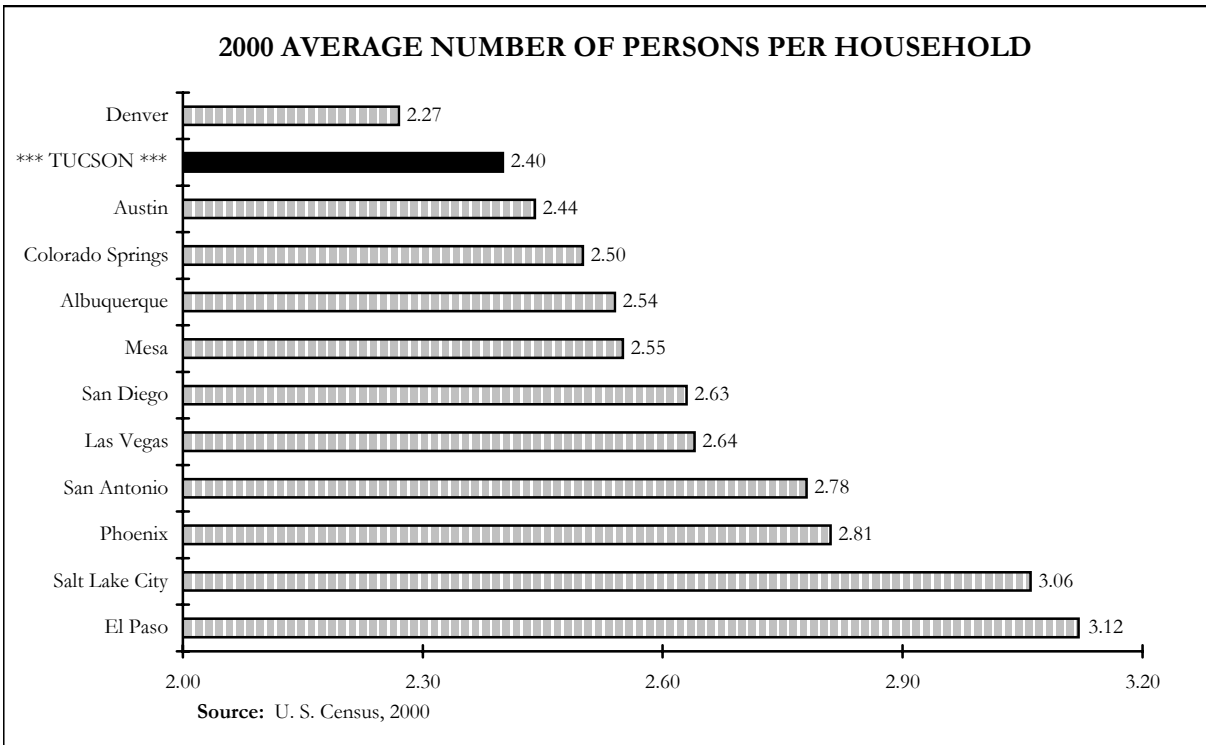
# DEMOGRAPHIC BENCHMARKS

Selected Regional Cities Benchmarked With Tucson



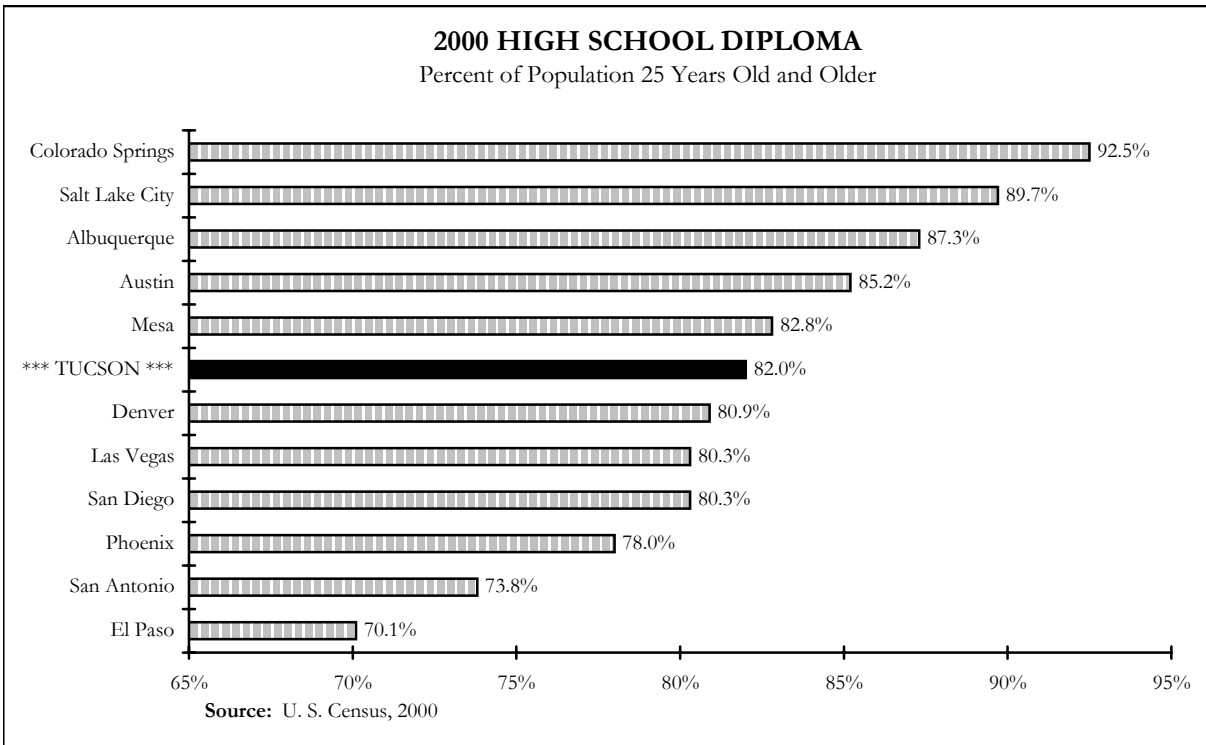
## DEMOGRAPHIC BENCHMARKS

### Selected Regional Cities Benchmarked With Tucson



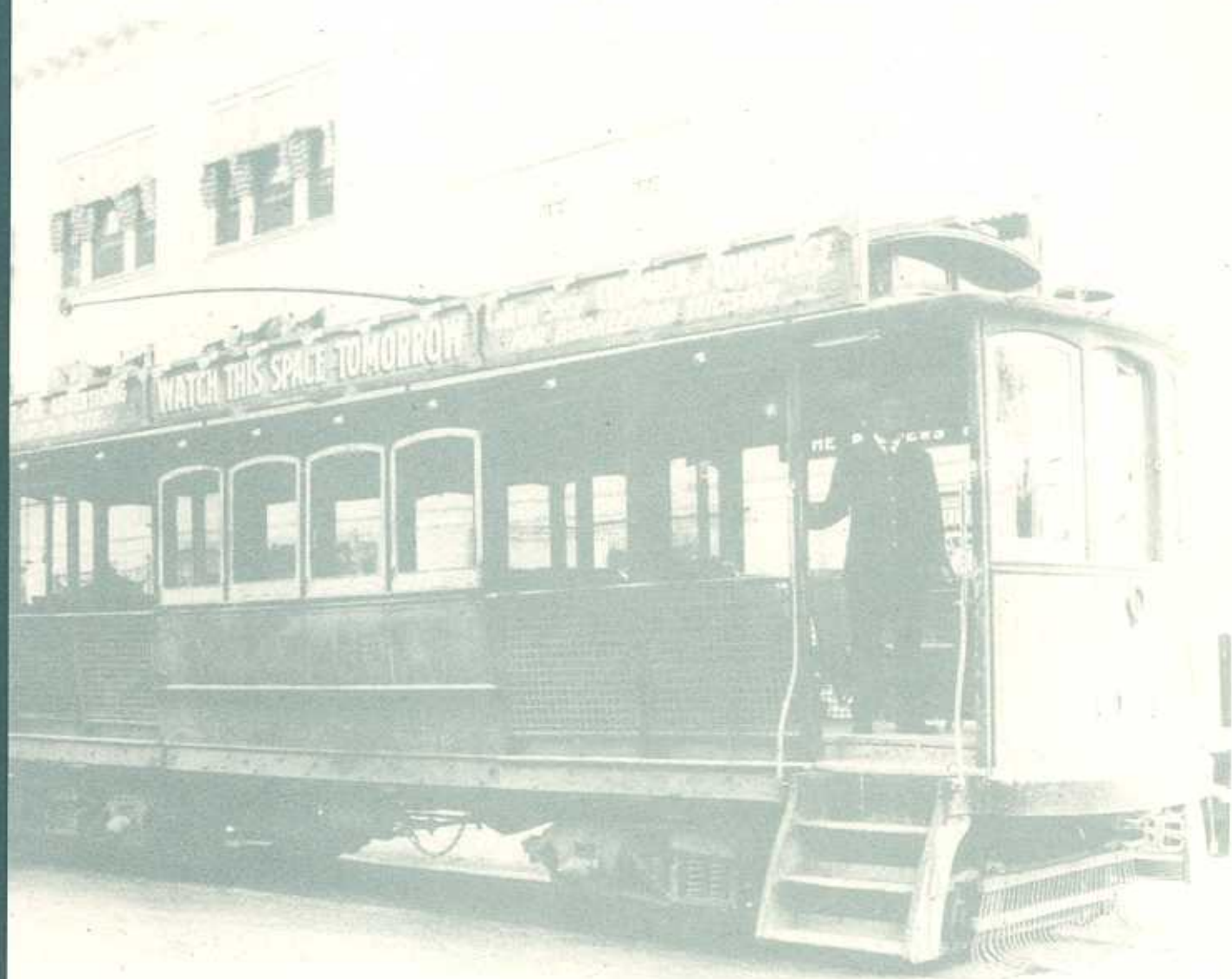
# DEMOGRAPHIC BENCHMARKS

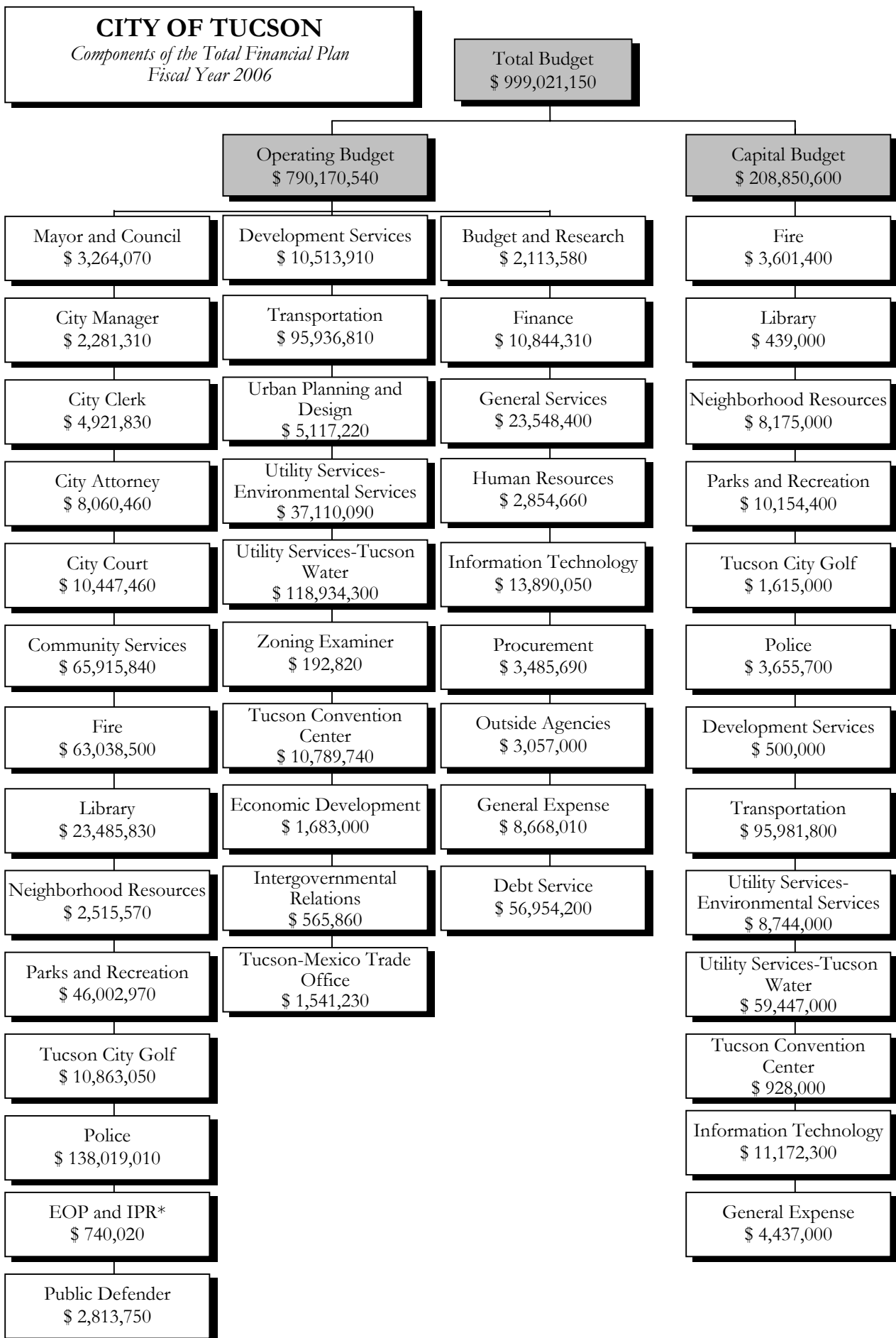
## Selected Regional Cities Benchmarked With Tucson



# SECTION E

## SUMMARY INFORMATION





\*Equal Opportunity Programs and Independent Police Review

Revenue Source	Percentage
Business Privilege Tax	18%
Miscellaneous	16%
Grants and Shared Taxes	17%
Enterprise Funds	19%
Capital Projects Funds	8%
Other Federal Revenues	8%
Public Housing	5%
State Revenue Sharing	5%
Charges for Current Services	4%

**Miscellaneous:**

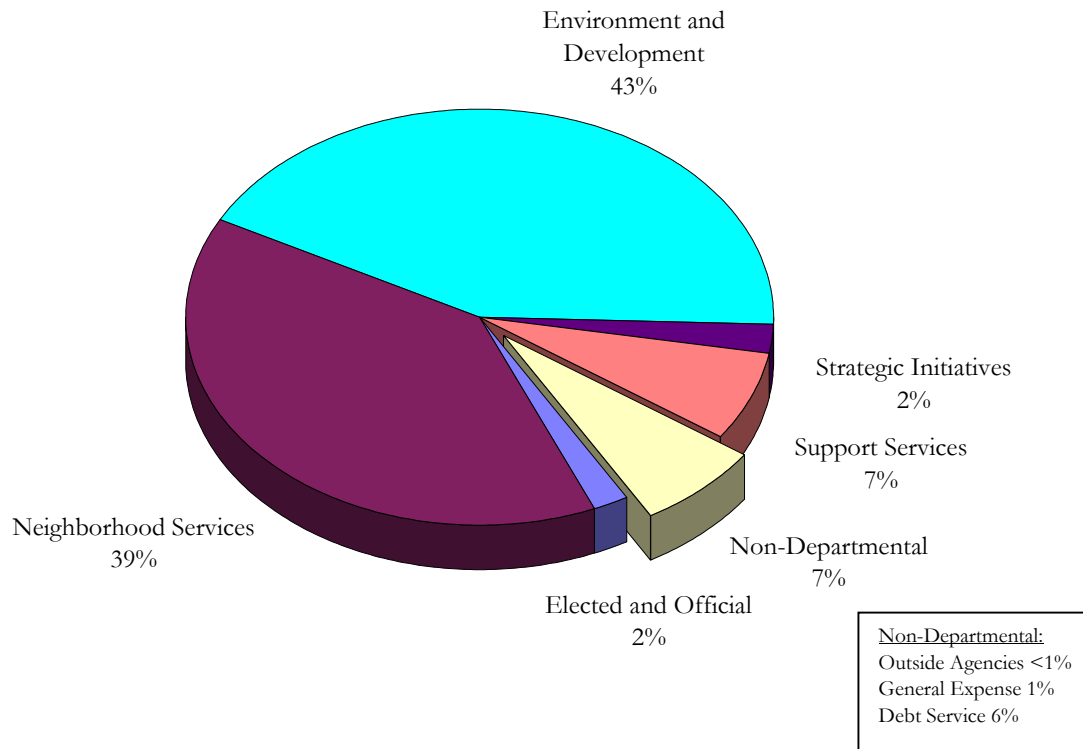
- Certificates of Participation 3%
- Other Local Taxes 3%
- Brought Forward/Fund Balance 2%
- Licenses and Permits 2%
- Secondary Property Tax 2%
- Fines, Forfeitures, and Penalties 1%
- Non-Revenue Receipts 1%
- Primary Property Taxes 1%
- Use of Money and Property 1%

E-2



# APPROPRIATIONS

## FISCAL YEAR 2006 RECOMMENDED



Funds Available	Annual Budget Total	Percent of Total
Elected and Official	\$ 18,527,670	2%
Neighborhood Services	391,482,500	39%
Environment and Development	432,477,950	43%
Strategic Initiatives	15,507,830	2%
Support Services	67,908,990	7%
Non-Departmental		
Outside Agencies	3,057,000	<1%
General Expense	13,105,010	1%
Debt Service	56,954,200	6%
<b>Total Funds Available</b>	<b>\$ 999,021,150</b>	<b>100%</b>

## SUMMARY OF EXPENDITURES BY DEPARTMENT

	Actual FY 2004	Adopted FY 2005	Estimated FY 2005	Approved FY 2006	Recommended FY 2006
<b>Elected and Official</b>					
Mayor and Council	\$ 2,632,844	\$ 3,118,990	\$ 3,077,390	\$ 3,311,160	\$ 3,264,070
City Manager	1,982,542	2,250,840	2,139,840	2,305,900	2,281,310
City Clerk	4,211,349	3,785,520	2,952,860	4,952,160	4,921,830
City Attorney	6,892,803	7,643,910	7,177,670	8,106,870	8,060,460
Sub-Total	15,719,538	16,799,260	15,347,760	18,676,090	18,527,670
<b>Neighborhood Services</b>					
City Court	9,045,520	10,860,480	10,609,925	10,319,980	10,447,460
Community Services	59,678,416	83,014,590	74,383,775	78,401,770	65,915,840
Fire	50,602,946	65,819,800	65,709,794	62,604,510	66,639,900
Library	20,444,474	22,394,050	22,943,986	23,635,080	23,924,830
Neighborhood Resources	7,316,769	13,474,610	6,355,475	5,547,230	10,690,570
Parks and Recreation	47,136,043	67,320,650	62,663,266	53,076,790	56,157,370
Tucson City Golf	9,939,016	14,068,590	11,490,800	10,987,510	12,478,050
Police	114,099,817	135,141,540	134,670,411	139,038,440	141,674,710
Office of Equal Opportunity Program: and Independent Police Review	625,448	650,090	692,820	686,010	740,020
Office of the Public Defender	2,442,837	2,712,910	2,741,380	2,881,300	2,813,750
Sub-Total	321,331,286	415,457,310	392,261,632	387,178,620	391,482,500
<b>Environment and Development</b>					
Development Services	8,172,220	9,618,730	9,657,730	10,496,460	11,013,910
Transportation	110,746,009	208,109,550	200,291,043	144,234,370	191,918,610
Urban Planning and Design	3,660,725	4,301,210	4,556,210	4,713,040	5,117,220
Utility Services					
Environmental Services	29,221,206	52,910,320	56,001,971	41,545,470	45,854,090
Tucson Water	150,567,217	165,474,280	165,643,421	170,825,050	178,381,300
Zoning Examiner	165,309	179,310	180,310	191,750	192,820
Sub-Total	302,532,686	440,593,400	436,330,685	372,006,140	432,477,950
<b>Strategic Initiatives</b>					
Tucson Convention Center	10,757,451	11,307,730	10,224,730	10,530,620	11,717,740
Office of Economic Development	1,293,368	1,796,380	1,353,330	1,850,470	1,683,000
Intergovernmental Relations	551,775	555,260	548,730	567,480	565,860
Tucson-Mexico Trade Office	587,843	1,399,160	1,235,932	1,433,020	1,541,230
Sub-Total	13,190,437	15,058,530	13,362,722	14,381,590	15,507,830

### Summary of Expenditures by Department (Continued)

	Actual FY 2004	Adopted FY 2005	Estimated FY 2005	Approved FY 2006	Recommended FY 2006
<b>Support Services</b>					
Budget and Research	\$ 1,790,659	\$ 2,064,920	\$ 1,950,720	\$ 2,115,750	\$ 2,113,580
Finance	7,951,956	9,130,520	9,335,520	10,910,640	10,844,310
General Services	16,463,775	36,302,650	20,759,939	26,987,740	23,548,400
Human Resources	2,561,643	2,692,100	2,719,680	2,816,080	2,854,660
Information Technology	10,404,844	13,480,060	17,727,814	13,965,420	25,062,350
Procurement	2,991,163	3,391,470	3,234,526	3,464,530	3,485,690
Sub-Total	42,164,040	67,061,720	55,728,199	60,260,160	67,908,990
<b>Non-Departmental</b>					
Outside Agencies	7,545,315	3,723,490	3,723,490	3,723,490	3,057,000
General Expense	7,622,309	25,390,850	21,174,308	4,888,930	13,105,010
Debt Service	42,429,207	48,242,650	45,773,587	57,436,340	56,954,200
Sub-Total	57,596,831	77,356,990	70,671,385	66,048,760	73,116,210
Total All Departments	\$ 752,534,818	\$ 1,032,327,210	\$ 983,702,383	\$ 918,551,360	\$ 999,021,150

### SUMMARY BY CHARACTER OF EXPENDITURES

	Actual FY 2004	Adopted FY 2005	Estimated FY 2005	Approved FY 2006	Recommended FY 2006
Personal Services	\$ 328,235,103	\$ 358,272,410	\$ 354,956,236	\$ 387,497,580	\$ 391,288,990
Services	198,182,346	233,769,710	211,481,280	210,355,790	213,348,450
Commodities	56,268,147	64,480,230	63,977,959	63,081,610	64,025,990
Equipment	8,168,435	22,208,600	26,002,424	21,798,430	21,618,380
Debt Service	71,069,229	81,428,470	78,176,637	92,584,970	91,643,250
Other*	(20,440,986)	23,505,490	27,731,420	20,122,580	8,245,490
Operating Total	641,482,274	783,664,910	762,325,956	795,440,960	790,170,550
Capital Improvements	111,052,544	248,662,300	221,376,427	123,110,400	208,850,600
Total All Expenditures	\$ 752,534,818	\$ 1,032,327,210	\$ 983,702,383	\$ 918,551,360	\$ 999,021,150

\* Other includes Inter-activity Transfers that were shown separately in previous budgets.

## REVENUES AND EXPENDITURES COMPARISONS

CLASSIFICATION	Actual FY 2004	Adopted FY 2005	Estimated FY 2005	Approved FY 2006	Recommended FY 2006
<b>FUNDS AVAILABLE</b>					
Primary Property Tax	\$ 4,091,637	\$ 8,812,120	\$ 8,746,464	\$ 9,161,820	\$ 9,084,560
Secondary Property Tax	22,031,525	21,336,520	20,739,430	23,098,280	24,235,450
Business Privilege Tax	174,345,408	176,600,000	175,750,000	185,400,000	184,540,000
Other Local Taxes	24,063,634	24,930,000	25,120,000	25,680,000	25,950,000
Licenses and Permits	18,231,570	18,143,690	18,663,900	19,466,300	21,066,700
Fines, Forfeitures, and Penalties	9,679,264	12,948,160	11,760,000	13,155,160	13,375,330
Use of Money and Property	3,091,657	3,559,230	3,781,630	3,820,760	5,036,990
Grants and Shared Taxes	132,104,694	160,970,510	154,495,300	172,875,000	168,050,780
State Revenue Sharing	44,022,893	44,853,450	44,850,000	49,230,000	50,930,000
Charges for Current Services	38,745,522	39,591,250	38,937,380	41,402,260	40,397,390
Non-Revenue Receipts	5,166,531	9,977,480	8,470,032	9,232,050	14,546,170
Public Housing	47,312,982	61,987,490	53,298,231	59,215,130	48,283,450
Other Federal Revenues	30,539,148	70,098,410	60,279,493	47,933,420	78,240,270
Enterprise Funds	165,507,226	193,270,190	191,153,310	192,451,030	189,516,440
Less General Fund Contribution	(11,968,825)	-0-	-0-	-0-	-0-
Certificates of Participation	-0-	70,199,700	58,829,463	19,314,700	31,952,700
Capital Projects Funds	50,231,743	92,951,200	100,409,652	37,382,900	74,933,900
Brought Forward/Fund Balance	(1,775,728)	22,097,810	15,662,766	9,732,550	18,881,020
<b>TOTAL FUNDS AVAILABLE</b>	<b>\$ 755,420,881</b>	<b>\$ 1,032,327,210</b>	<b>\$ 990,947,051</b>	<b>\$ 918,551,360</b>	<b>\$ 999,021,150</b>
<b>EXPENDITURES</b>					
Elected and Official	\$ 15,719,538	\$ 16,799,260	\$ 15,347,760	\$ 18,676,090	\$ 18,527,670
Neighborhood Services	321,331,286	415,457,310	392,261,632	387,178,620	391,482,500
Environment and Development	302,532,686	440,593,400	436,330,685	372,006,140	432,477,950
Strategic Initiatives	13,190,437	15,058,530	13,362,722	14,381,590	15,507,830
Support Services	42,164,040	67,061,720	55,728,199	60,260,160	67,908,990
Non-Departmental	57,596,831	77,356,990	70,671,385	66,048,760	73,116,210
<b>TOTAL EXPENDITURES</b>	<b>\$ 752,534,818</b>	<b>\$ 1,032,327,210</b>	<b>\$ 983,702,383</b>	<b>\$ 918,551,360</b>	<b>\$ 999,021,150</b>

## **EXPLANATION OF CITY FUNDS**

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### **FUND GROUPS**

The city budget consists of five fund groups. Funds are accounting entities that the city uses to track specific revenue sources and expenditures. Some funds are required by State law or by bond covenants, while other funds are established for management purposes. The city does not include budgets for internal service funds and other fiduciary funds as the expenditures are reflected in the funds of departments using those services. The major funds included in the budget are as follows:

#### **General Fund**

The General Fund accounts for all revenues and expenditures used to finance the traditional services associated with a municipal government that are not accounted for in other funds. Revenues accounted for in the General Fund include local taxes and state taxes distributed to the city, license and permit fees, fines and penalties, charges for services, certificates of participation, and other miscellaneous funding sources. These funds are expended in Elected and Official, Neighborhood Services, Environment and Development, Strategic Initiatives, Support Services, and Non-Departmental program categories.

#### **Special Revenue Funds**

Special Revenue Funds are used to account for revenues derived from specific taxes or other revenue sources earmarked for a specific use. They are usually required by statute, charter provision, local ordinance, or federal grant regulation to account for particular operating or capital functions of the city.

#### **Enterprise Funds**

Enterprise Funds are established to account for city functions that are financed and operated in a manner similar to private business enterprises and where periodic determination of net income is desired. Expenses, including depreciation, of goods or services to the general public are recovered primarily through user charges. The three enterprise funds of the city are Environmental Services, Golf, and Water Utility funds.

#### **Debt Service Funds**

Debt Service Funds are created to account for the payment of principal and interest on long-term bonded debt other than that issued for and serviced primarily by an enterprise fund. The two funds in this group are for general obligation bonds paid with proceeds from the secondary property tax and street and highway bonds paid with Highway User Revenue Funds.

#### **Capital Projects Funds**

Funds for capital projects are created to account for the purchase or construction of major capital facilities which are not financed by General, Special Revenue, or Enterprise Funds. Voter authorized bonds are the primary source of funds in this group. Special assessment funds are not included in the budget, as they are not considered a city fund for budget purposes. Proceeds from bond sales are reflected in the year that they are expended.

### **FUND BALANCE**

The budget treats Fund Balance as the unreserved fund balance defined in the Comprehensive Annual Financial Report (CAFR) as “available spendable resources”.

### **GENERAL PURPOSE FUNDS**

Throughout the budget a distinction is made between general purpose funds and restricted funds. General purpose funds include funding that has no restrictions on its use and may be either General Funds or Special Revenue Funds. This is a concept used in developing and managing the budget. Although most General Funds can be classified as general purpose funds, certain sources such as certificates of participation or any revenues collected for a specific purpose are not. Any general fund contributions reflected in Special Revenue Funds are also considered general

### **Explanation of City Funds (Continued)**

purpose in that the original sources are unrestricted revenues. In addition, certain user fees in Special Revenues are classified as general purpose where there is no legal restriction and those funds close out against the General Fund. Restricted funds would include State and Federal funds awarded for a specific purpose as well as Enterprise Funds, Capital Projects Funds, and Debt Service Funds.

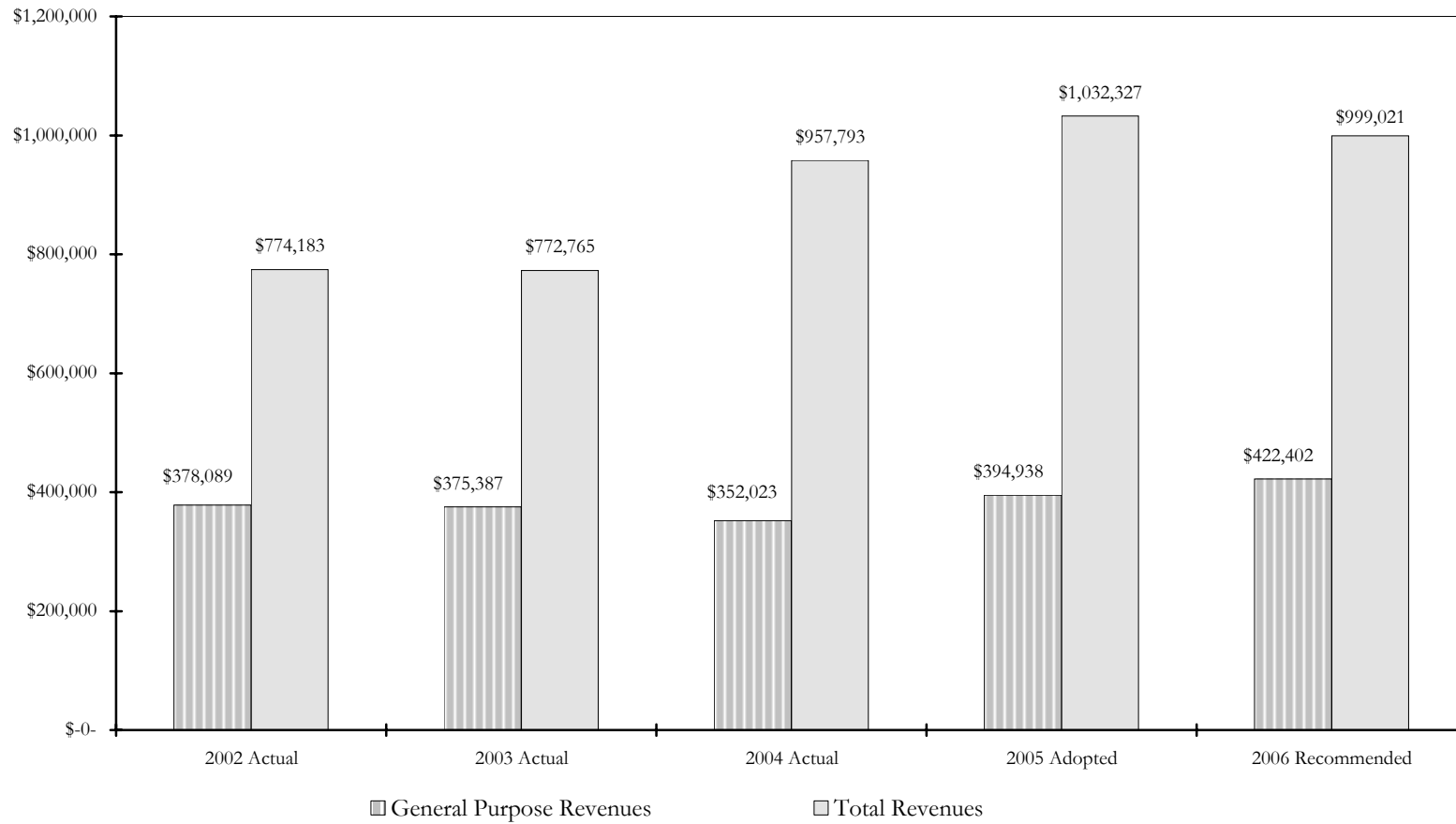
### **BASIS OF BUDGETING**

The basis of budgeting is best described as a modified cash basis in that funds are budgeted in the year expended. As a result, revenues that may be received in a prior year are budgeted in the year that they will be expended.

### **Comparison to the Basis of Accounting for the Comprehensive Annual Financial Report**

The structure of city funds is generally the same in the budget and the CAFR; however, because the CAFR uses either a modified accrual or full accrual basis of accounting, there are differences in how revenues and expenses are treated in specific areas. As indicated above, there are certain funds such as internal service funds and other fiduciary funds that are reported in the CAFR but not the budget. In the budget, expenses for these funds are reflected in the funds and programs that use services that are internal to the city organization. Where the general fund contributes to a special revenue fund, those special revenue funds do not carry an unreserved fund balance as only the amount of general fund required to cover expenses and obligations are transferred. This treatment is the essentially the same in both the budget and the CAFR. The budget matches revenues to expenditures in the year expensed for funds other than the general fund. This may result in differences with the CAFR where a revenue may be received prior to the start of the fiscal year such as is the case with bond funds and other financing while the CAFR would report the proceeds in the year received. The budget does not record expenditures such as depreciation that are accrued under Generally Accepted Accounting Principles.

# COMPARISON OF GENERAL PURPOSE REVENUES AND TOTAL REVENUES (\$000s)



Note: Beginning in Fiscal Year 2005, general purpose funds no longer include Environmental Services based on the decision to make it an enterprise fund.

**REVENUES AND APPROPRIATIONS SUMMARY**  
**FISCAL YEAR 2006 BY OPERATING AND CAPITAL**

CLASSIFICATION	TOTAL BUDGET	GENERAL PURPOSE FUNDS			RESTRICTED FUNDS		
		OPERATING	CAPITAL	TOTAL	OPERATING	CAPITAL	TOTAL
<b>FUNDS AVAILABLE</b>							
Primary Property Tax	\$ 9,084,560	\$ 9,084,560	\$ -0-	\$ 9,084,560	\$ -0-	\$ -0-	\$ -0-
Secondary Property Tax	24,235,450	-0-	-0-	-0-	24,235,450	-0-	24,235,450
Business Privilege Tax	184,540,000	183,529,400	1,010,600	184,540,000	-0-	-0-	-0-
Other Local Taxes	25,950,000	25,950,000	-0-	25,950,000	-0-	-0-	-0-
Licenses and Permits	21,066,700	19,500,000	-0-	19,500,000	1,566,700	-0-	1,566,700
Fines, Forfeitures, and Penalties	13,375,330	10,380,000	-0-	10,380,000	2,995,330	-0-	2,995,330
Use of Money and Property	5,036,990	1,550,000	-0-	1,550,000	3,257,590	229,400	3,486,990
Grants and Shared Taxes	168,050,780	73,492,000	-0-	73,492,000	61,545,480	33,013,300	94,558,780
State Revenue Sharing	50,930,000	50,930,000	-0-	50,930,000	-0-	-0-	-0-
Charges for Current Services	40,397,390	38,004,860	-0-	38,004,860	2,392,530	-0-	2,392,530
Non-Revenue Receipts	14,546,170	1,432,990	-0-	1,432,990	10,788,180	2,325,000	13,113,180
Public Housing	48,283,450	-0-	-0-	-0-	48,283,450	-0-	48,283,450
Other Federal Revenues	78,240,270	-0-	-0-	-0-	27,383,770	50,856,500	78,240,270
Enterprise Funds	189,516,440	-0-	-0-	-0-	166,907,440	22,609,000	189,516,440
Certificates of Participation	31,952,700	-0-	-0-	-0-	12,723,400	19,229,300	31,952,700
Capital Projects Funds	74,933,900	-0-	-0-	-0-	-0-	74,933,900	74,933,900
Brought Forward/Fund Balance	18,881,020	3,394,000	4,143,600	7,537,600	10,843,420	500,000	11,343,420
<b>TOTAL FUNDS AVAILABLE</b>	<b>\$ 999,021,150</b>	<b>\$ 417,247,810</b>	<b>\$ 5,154,200</b>	<b>\$ 422,402,010</b>	<b>\$ 372,922,740</b>	<b>\$ 203,696,400</b>	<b>\$ 576,619,140</b>
<b>APPROPRIATIONS</b>							
Elected and Official	\$ 18,527,670	\$ 17,744,090	\$ -0-	\$ 17,744,090	\$ 783,580	\$ -0-	\$ 783,580
Neighborhood Services	391,482,500	256,776,340	1,000,000	257,776,340	107,065,660	26,640,500	133,706,160
Environment and Development	432,477,950	68,303,730	3,410,200	71,713,930	199,501,420	161,262,600	360,764,020
Strategic Initiatives	15,507,830	12,093,920	-0-	12,093,920	2,485,910	928,000	3,413,910
Support Services	67,908,990	43,371,370	-0-	43,371,370	13,365,320	11,172,300	24,537,620
Non-Departmental	73,116,210	18,958,360	744,000	19,702,360	49,720,850	3,693,000	53,413,850
<b>TOTAL ALL APPROPRIATIONS</b>	<b>\$ 999,021,150</b>	<b>\$ 417,247,810</b>	<b>\$ 5,154,200</b>	<b>\$ 422,402,010</b>	<b>\$ 372,922,740</b>	<b>\$ 203,696,400</b>	<b>\$ 576,619,140</b>



# REVENUES AND EXPENDITURES COMPARISONS AND FUND BALANCE GENERAL FUND

	Actual FY 2004	Adopted FY 2005	Estimated FY 2005	Approved FY 2006	Recommended FY 2006
<b>Beginning Fund Balance</b>	\$ 3,481,000	\$ 10,790,477	\$ 13,164,692	\$ 28,790,477	\$ 33,479,810
<b>Revenues and Other Sources</b>					
Primary Property Tax	4,091,637	8,812,120	8,746,464	9,161,820	9,084,560
Business Privilege Tax	174,345,408	176,600,000	175,750,000	185,400,000	184,540,000
Less Transfers	(56,865,548)	(53,765,080)	(50,498,078)	(47,945,950)	(55,492,400)
Other Local Taxes	24,063,634	24,930,000	25,120,000	25,680,000	25,950,000
Licenses and Permits	17,349,475	17,668,690	18,183,900	18,974,300	20,320,700
Fines, Forfeitures, and Penalties	9,273,135	12,622,160	11,200,000	12,822,160	12,785,330
Use of Money and Property	1,648,649	1,880,230	2,090,230	1,926,760	2,311,990
Grants and Shared Taxes	62,789,278	65,051,990	67,615,800	68,022,360	71,310,820
State Revenue Sharing	44,022,893	44,853,450	44,850,000	49,230,000	50,930,000
Charges for Current Services	23,509,615	23,403,670	22,552,800	24,928,880	23,546,940
Non-Revenue Receipts	4,617,689	8,037,480	6,930,540	8,007,050	8,906,170
Certificates of Participation	-0-	48,723,580	39,853,343	7,748,300	16,884,300
Brought Forward/Fund Balance	(3,730,894)	4,326,620	4,099,320	-0-	5,723,000
<b>Total Sources</b>	305,114,971	383,144,910	376,494,319	363,955,680	376,801,410
Less Unbudgeted Fund Balance Requirements	(3,481,000)	(10,790,477)	(13,164,692)	(28,790,477)	(33,479,810)
<b>Total Funds Available</b>	305,114,971	383,144,910	376,494,319	363,955,680	376,801,410
<b>Expenditures</b>					
Elected and Official	\$ 15,440,672	\$ 16,282,830	\$ 15,124,100	\$ 18,120,950	\$ 17,954,100
Neighborhood Services	210,735,509	241,114,990	236,797,387	254,434,800	259,015,530
Environment and Development	14,243,397	42,136,300	45,535,070	19,005,470	19,672,870
Strategic Initiatives	2,156,772	2,685,970	2,599,440	2,776,530	2,617,260
Support Services	41,667,996	49,436,300	41,039,406	47,418,760	55,067,590
Non-Departmental	19,662,308	31,488,520	28,154,248	22,199,170	22,474,060
<b>Total Expenditures</b>	\$ 303,906,654	\$ 383,144,910	\$ 369,249,651	\$ 363,955,680	\$ 376,801,410
<b>Available Funds Over/(Under)</b>					
<b>Expenditures</b>	1,208,317	-0-	7,244,668	-0-	-0-
<b>Unbudgeted Fund Balance Requirements</b>					
From Prior year	\$ 3,481,000	\$ 10,790,477	\$ 13,164,692	\$ 28,790,477	\$ 33,479,810
From Available Funds	1,208,317	-0-	7,244,668	-0-	-0-
Transfers from/ (to) other Funds or Reserves	8,475,375	18,000,000	13,070,450	-0-	-0-
<b>Total</b>	\$ 13,164,692	\$ 28,790,477	\$ 33,479,810	\$ 28,790,477	\$ 33,479,810

## Notes on Changes to Fund Balance:

FY 2004 - Based on recent court findings the \$7,309,477 net Qwest settlement received in FY 2002 is included in fund balance. Miscellaneous transfers between funds resulted in a net decrease.

FY 2005 - Funds previously reserved for Environmental Mandates will be transferred to fund balance based on the establishment of Environmental Services as an enterprise fund.

# REVENUES AND EXPENDITURES COMPARISONS AND FUND BALANCE OTHER FUNDS

	Actual FY 2004	Adopted FY 2005	Estimated FY 2005	Approved FY 2006	Recommended FY 2006
<b>SPECIAL REVENUE FUNDS</b>					
<b>Beginning Fund Balance</b>	\$ 18,738,000	\$ 18,738,000	\$ 17,853,984	\$ 18,738,000	\$ 9,005,450
Revenues and Other Sources	199,212,836	325,076,010	285,940,690	284,264,740	316,330,840
Expenditures	(197,535,090)	(325,076,010)	(285,940,690)	(284,264,740)	(316,330,840)
<b>Surplus/(Deficit)</b>	1,677,746	-0-	-0-	-0-	-0-
Transfers from/(to) other Funds or Reserves	(2,561,762)	-0-	-0-	-0-	-0-
<b>Ending Fund Balance</b>	<u>\$ 17,853,984</u>	<u>\$ 18,738,000</u>	<u>\$ 17,853,984</u>	<u>\$ 18,738,000</u>	<u>\$ 9,005,450</u>
<b>ENTERPRISE FUNDS</b>					
<b>Beginning Fund Balance</b>	\$ 32,169,000	\$ 34,182,877	\$ 41,000,527	\$ 43,515,267	\$ 47,118,557
Revenues and Other Sources	166,714,330	200,087,840	193,668,050	196,054,320	192,236,790
Expenditures	(165,507,226)	(193,270,190)	(191,153,310)	(192,451,030)	(189,516,440)
<b>Surplus/(Deficit)</b>	1,207,104	6,817,650	2,514,740	3,603,290	2,720,350
Transfers from/(to) other Funds or Reserves	806,773	-0-	-0-	-0-	-0-
<b>Ending Fund Balance</b>	<u>\$ 34,182,877</u>	<u>\$ 41,000,527</u>	<u>\$ 43,515,267</u>	<u>\$ 47,118,557</u>	<u>\$ 49,838,907</u>
<b>DEBT SERVICE FUNDS</b>					
<b>Beginning Fund Balance</b>	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Revenues and Other Sources	35,354,105	37,884,900	36,949,080	40,497,010	41,438,560
Expenditures	(35,354,105)	(37,884,900)	(36,949,080)	(40,497,010)	(41,438,560)
<b>Surplus/(Deficit)</b>	-0-	-0-	-0-	-0-	-0-
<b>Ending Fund Balance</b>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
<b>CAPITAL PROJECTS FUND</b>					
<b>Beginning Fund Balance</b>	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Revenues and Other Sources	50,231,743	92,951,200	100,409,652	37,382,900	74,933,900
Expenditures	(50,231,743)	(92,951,200)	(100,409,652)	(37,382,900)	(74,933,900)
<b>Surplus/(Deficit)</b>	-0-	-0-	-0-	-0-	-0-
<b>Ending Fund Balance</b>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

## Notes on Changes to Fund Balance:

Enterprise Funds - Changes in fund balance each year are based on a policy to increase working capital to meet future infrastructure requirements.

## ALL FUNDS SUMMARY

FINANCIAL RESOURCES	Actual FY 2004	Adopted FY 2005	Estimated FY 2005	Approved FY 2006	Recommended FY 2006
GENERAL FUND	\$ 305,114,971	\$ 383,144,910	\$ 376,494,319	\$ 363,955,680	\$ 376,801,410
SPECIAL REVENUE FUNDS	199,212,836	325,076,010	285,940,690	284,264,740	316,330,840
ENTERPRISE FUNDS	165,507,226	193,270,190	191,153,310	192,451,030	189,516,440
DEBT SERVICE FUNDS	35,354,105	37,884,900	36,949,080	40,497,010	41,438,560
CAPITAL PROJECTS FUNDS	50,231,743	92,951,200	100,409,652	37,382,900	74,933,900
TOTAL ALL FUNDS	<u>\$ 755,420,881</u>	<u>\$ 1,032,327,210</u>	<u>\$ 990,947,051</u>	<u>\$ 918,551,360</u>	<u>\$ 999,021,150</u>
General Fund					
Primary Property Tax	\$ 4,091,637	\$ 8,812,120	\$ 8,746,464	\$ 9,161,820	\$ 9,084,560
Business Privilege Tax	174,345,408	176,600,000	175,750,000	185,400,000	184,540,000
less Contributions to Other Funds	(56,865,548)	(53,765,080)	(50,498,078)	(47,945,950)	(55,492,400)
Other Local Taxes	24,063,634	24,930,000	25,120,000	25,680,000	25,950,000
Licenses and Permits	17,349,475	17,668,690	18,183,900	18,974,300	20,320,700
Fines, Forfeitures, and Penalties	9,273,135	12,622,160	11,200,000	12,822,160	12,785,330
Use of Money and Property	1,648,649	1,880,230	2,090,230	1,926,760	2,311,990
Grants and Shared Taxes	62,789,278	65,051,990	67,615,800	68,022,360	71,310,820
State Revenue Sharing	44,022,893	44,853,450	44,850,000	49,230,000	50,930,000
Charges for Current Services	23,509,615	23,403,670	22,552,800	24,928,880	23,546,940
Non-Revenue Receipts	4,617,689	8,037,480	6,930,540	8,007,050	8,906,170
Certificates of Participation	-0-	48,723,580	39,853,343	7,748,300	16,884,300
Brought Forward	-0-	3,994,320	3,994,320	-0-	1,744,000
Use of Fund Balance	(3,730,894)	332,300	105,000	-0-	3,979,000
Total General Fund	<u>\$ 305,114,971</u>	<u>\$ 383,144,910</u>	<u>\$ 376,494,319</u>	<u>\$ 363,955,680</u>	<u>\$ 376,801,410</u>
Special Revenue Funds					
General Fund Contributions	\$ 44,896,723	\$ 53,765,080	\$ 50,498,078	\$ 47,945,950	\$ 55,492,400
Licenses and Permits	882,095	475,000	480,000	492,000	746,000
Fines and Forfeitures	406,129	326,000	560,000	333,000	590,000
Use of Money and Property	1,443,008	1,679,000	1,691,400	1,894,000	2,725,000
Grants and Shared Taxes	55,992,836	79,370,140	70,669,850	87,453,910	79,536,850
Charges for Current Services	15,235,907	16,187,580	16,384,580	16,473,380	16,850,450
Public Housing Local Revenue	2,590,752	2,680,860	2,280,000	2,680,860	2,280,000
Federal Grants	75,261,378	129,405,040	111,297,724	104,467,690	124,243,720
Non-Revenue Receipts	548,842	1,940,000	1,539,492	1,225,000	5,640,000
Certificates of Participation	-0-	21,476,120	18,976,120	11,566,400	15,068,400
Brought Forward	-0-	6,516,100	6,516,100	-0-	2,399,600
Use of Fund Balance	1,955,166	11,255,090	5,047,346	9,732,550	10,758,420
Total Special Revenue Funds	<u>\$ 199,212,836</u>	<u>\$ 325,076,010</u>	<u>\$ 285,940,690</u>	<u>\$ 284,264,740</u>	<u>\$ 316,330,840</u>

## ALL FUNDS SUMMARY

<b>FINANCIAL RESOURCES</b>	<b>Actual FY 2004</b>	<b>Adopted FY 2005</b>	<b>Estimated FY 2005</b>	<b>Approved FY 2006</b>	<b>Recommended FY 2006</b>
Enterprise Funds					
Environmental Services	\$ 28,512,895	\$ 41,872,320	\$ 43,388,440	\$ 38,712,470	\$ 37,860,090
Golf Course	9,939,016	14,068,590	11,490,800	10,987,510	12,478,050
Water Utility	\$ 127,055,315	\$ 137,329,280	\$ 136,274,070	\$ 142,751,050	\$ 139,178,300
Total Enterprise Funds	<u>\$ 165,507,226</u>	<u>\$ 193,270,190</u>	<u>\$ 191,153,310</u>	<u>\$ 192,451,030</u>	<u>\$ 189,516,440</u>
Debt Service Funds					
Secondary Property Tax	\$ 22,031,525	\$ 21,336,520	\$ 20,739,430	\$ 23,098,280	\$ 24,235,450
State Shared Taxes	13,322,580	16,548,380	16,209,650	17,398,730	17,203,110
Total Debt Service Funds	<u>\$ 35,354,105</u>	<u>\$ 37,884,900</u>	<u>\$ 36,949,080</u>	<u>\$ 40,497,010</u>	<u>\$ 41,438,560</u>
Capital Projects Funds					
Bond Funds Proceeds	\$ 50,231,743	\$ 92,951,200	\$ 100,409,652	\$ 37,382,900	\$ 74,933,900
Total Capital Projects Funds	<u>\$ 50,231,743</u>	<u>\$ 92,951,200</u>	<u>\$ 100,409,652</u>	<u>\$ 37,382,900</u>	<u>\$ 74,933,900</u>

## GENERAL FUND

FINANCIAL RESOURCES	Actual FY 2004	Adopted FY 2005	Estimated FY 2005	Approved FY 2006	Recommended FY 2006
Primary Property Tax	\$ 4,091,637	\$ 8,812,120	\$ 8,746,464	\$ 9,161,820	\$ 9,084,560
Business Privilege Tax	\$ 174,345,408	\$ 176,600,000	\$ 175,750,000	\$ 185,400,000	\$ 184,540,000
Less Contributions to Special Revenue Funds	(56,865,548)	(53,765,080)	(50,498,078)	(47,945,950)	(55,492,400)
Business Privilege Tax	\$ 117,479,860	\$ 122,834,920	\$ 125,251,922	\$ 137,454,050	\$ 129,047,600
Other Local Taxes					
Public Utility Tax	\$ 7,887,631	\$ 8,370,000	\$ 8,090,000	\$ 8,600,000	\$ 8,250,000
Transient Occupancy Tax	7,172,184	7,350,000	7,460,000	7,640,000	7,760,000
Room Tax	1,973,780	1,890,000	2,050,000	1,970,000	2,130,000
Occupational Taxes	2,049,759	2,070,000	2,090,000	2,110,000	2,130,000
Liquor Taxes	713,675	760,000	760,000	780,000	780,000
Use Tax	4,266,605	4,490,000	4,670,000	4,580,000	4,900,000
Total	\$ 24,063,634	\$ 24,930,000	\$ 25,120,000	\$ 25,680,000	\$ 25,950,000
Licenses and Permits					
Application Fees	\$ 146,578	\$ 260,000	\$ 180,000	\$ 320,000	\$ 190,000
Sign Permits	260,823	285,000	300,000	290,000	305,000
Parking Meter Collections	260,100	310,000	296,000	320,000	440,000
Vehicle Permits	53,125	60,000	70,000	65,000	75,000
Developer In Lieu Fees	234,026	-0-	47,900	-0-	220,700
Fire Inspection Fee	-0-	300,750	-0-	623,620	600,000
Temporary Workzone Traffic Control Fee	-0-	350,000	-0-	500,000	500,000
Cable Television Licenses	3,340,912	3,234,240	2,920,000	3,598,580	3,040,000
Public, Educational, Government Operating Support (PEG)	-0-	-0-	930,000	-0-	970,000
Public, Educational, Government Capital Support (PEG)	550,855	532,700	580,000	681,100	600,000
Telecommunications Applications Fee	-0-	6,000	-0-	6,000	-0-
Telecommunications Licenses and Franchise Fees	886,607	650,000	730,000	660,000	760,000
Utility Franchise Fees	11,616,449	11,680,000	12,130,000	11,910,000	12,620,000
Total	\$ 17,349,475	\$ 17,668,690	\$ 18,183,900	\$ 18,974,300	\$ 20,320,700

## GENERAL FUND

FINANCIAL RESOURCES	Actual FY 2004	Adopted FY 2005	Estimated FY 2005	Approved FY 2006	Recommended FY 2006
Fines, Forfeitures, and Penalties					
Civil Traffic Diversion Program	\$ 1,303,147	\$ 2,346,000	\$ 1,490,000	\$ 2,393,000	\$ 1,520,000
Prosecutor's Diversion Program	107,619	138,000	370,000	141,000	380,000
Civil Traffic Violations	423,440	500,000	560,000	510,000	570,000
Criminal Traffic Violations	4,863,051	5,304,000	5,320,000	5,410,000	5,430,000
Driving Under the Influence	114,731	107,000	172,000	110,000	175,000
Filing Fees-Domestic Violence	11,678	20,000	11,000	20,000	12,000
Probation Fees	346,089	347,000	450,000	354,000	460,000
City Court Miscellaneous	839,044	1,201,000	1,040,000	1,217,000	1,060,000
Time Payment Fees	208,907	250,000	250,000	250,000	250,000
Sub-Total	8,217,706	10,213,000	9,663,000	10,405,000	9,857,000
Other Fines/Forfeitures					
Parking Violations	\$ 403,708	\$ 326,000	\$ 560,000	\$ 333,000	\$ 590,000
Zoning Code Violations	30,550	36,000	26,000	37,000	27,000
Fire Code Violations	12,805	1,000	3,000	1,000	3,000
Building Code Violations	10,940	18,000	10,000	18,000	10,000
Other Fines/Violations	4,914	6,000	2,000	6,000	4,000
Forfeitures/Assessments	502,742	1,982,160	800,000	1,982,160	2,155,330
False Alarm Violations	76,599	17,000	125,000	17,000	128,000
Offroad Vehicle Violations	1,357	3,000	1,000	3,000	1,000
Dishonored Check	11,814	20,000	10,000	20,000	10,000
Sub-Total	1,055,429	2,409,160	1,537,000	2,417,160	2,928,330
Total	\$ 9,273,135	\$ 12,622,160	\$ 11,200,000	\$ 12,822,160	\$ 12,785,330
Use of Money and Property					
Rentals	849,238	592,000	742,000	592,000	782,000
Tenant Rent	656,182	770,230	770,230	816,760	761,990
Telephone Pay Booths	18,180	18,000	18,000	18,000	18,000
Interest Earnings	125,049	500,000	560,000	500,000	750,000
Total	\$ 1,648,649	\$ 1,880,230	\$ 2,090,230	\$ 1,926,760	\$ 2,311,990
Grants and Shared Taxes					
Shared State Taxes					
Auto Lieu Taxes	\$ 21,077,563	\$ 21,410,000	\$ 22,340,000	\$ 22,270,000	\$ 23,230,000
State Sales Tax	41,216,598	43,185,270	45,030,000	45,340,000	47,670,000
Sub-Total	62,294,161	64,595,270	67,370,000	67,610,000	70,900,000

## GENERAL FUND

FINANCIAL RESOURCES	Actual FY 2004	Adopted FY 2005	Estimated FY 2005	Approved FY 2006	Recommended FY 2006
Grants and Shared Taxes (Continued)					
State and Local Grants					
City Manager's Office	3,587	3,910	3,910	-0-	-0-
Community Services Grants	73,673	-0-	-0-	-0-	-0-
Parks and Recreation Grants	158,464	403,900	192,980	412,360	410,820
Police Grants	157,031	-0-	-0-	-0-	-0-
General Services Grants	33,887	48,910	48,910	-0-	-0-
Other	68,475	-0-	-0-	-0-	-0-
Sub-Total	495,117	456,720	245,800	412,360	410,820
Total	\$ 62,789,278	\$ 65,051,990	\$ 67,615,800	\$ 68,022,360	\$ 71,310,820
State Revenue Sharing	\$ 44,022,893	\$ 44,853,450	\$ 44,850,000	\$ 49,230,000	\$ 50,930,000
Charges for Current Services					
General Government					
Mutual Aid Communication System	\$ 26,000	\$ 26,000	\$ 26,000	\$ 26,000	\$ 26,000
Dispatch Intergovernmental Agreement	646,868	615,000	615,000	615,000	680,000
Sale of Codes, Regulations, and Maps	26,459	18,000	20,000	18,000	20,000
Information Technology Services	256,086	-0-	220,000	-0-	220,000
Tucson-Mexico Trade Office	69,938	317,980	317,980	319,730	313,080
Other	25,584	127,000	26,820	127,000	27,860
Sub-Total	1,050,935	1,103,980	1,225,800	1,105,730	1,286,940
Public Safety					
University of Arizona Fire Services	107,602	100,000	107,000	100,000	107,000
Emergency Medical Transport	7,721,889	5,700,000	6,382,000	5,700,000	6,893,000
Police Charges	78,572	79,000	79,000	79,000	79,000
Police Protection	25	1,000	1,000	1,000	1,000
Sub-Total	7,908,088	5,880,000	6,569,000	5,880,000	7,080,000
Development Services Charges					
Permit Inspection Fee	8,287,025	7,956,950	8,220,000	8,646,480	8,550,000
Review Fees	1,699,856	1,751,800	1,750,000	1,895,920	1,820,000
Zoning Adjustments	362,725	535,000	535,000	625,000	560,000
Other	53,829	745,940	53,000	745,750	50,000
Sub-Total	10,403,435	10,989,690	10,558,000	11,913,150	10,980,000

## GENERAL FUND

FINANCIAL RESOURCES	Actual FY 2004	Adopted FY 2005	Estimated FY 2005	Approved FY 2006	Recommended FY 2006
Charges for Current Services (Continued)					
Recreation					
Fee Classes	\$ 1,031,769	\$ 998,000	\$ 1,050,000	\$ 998,000	\$ 1,050,000
Facility Reservations	424,640	389,000	430,000	389,000	430,000
Permits	136,342	109,000	140,000	109,000	140,000
Civic Events Equipment	39,311	90,000	40,000	90,000	40,000
General Recreation Programs	283,423	533,000	290,000	533,000	290,000
Sports Programs	178,028	240,000	180,000	240,000	180,000
Udall Center Programs	217,500	242,000	220,000	242,000	220,000
Randolph Center Programs	50,766	32,000	50,000	32,000	50,000
Tennis Centers	71,666	57,000	70,000	57,000	70,000
Aquatics Fees	379,208	304,000	380,000	304,000	380,000
El Pueblo Center Programs	139,796	171,000	140,000	171,000	140,000
Zoo Concessions	864,376	1,271,000	870,000	1,271,000	870,000
Baseball Revenues	218,808	190,000	220,000	190,000	220,000
El Rio Center Programs	15,120	11,000	20,000	11,000	20,000
Quincie Douglas Center	23,211	20,000	20,000	20,000	20,000
Clements Center	20,502	20,000	20,000	20,000	20,000
Rodeo Grounds	13,720	20,000	20,000	20,000	20,000
Miscellaneous	38,971	733,000	40,000	1,333,000	40,000
Sub-Total	4,147,157	5,430,000	4,200,000	6,030,000	4,200,000
Total	\$ 23,509,615	\$ 23,403,670	\$ 22,552,800	\$ 24,928,880	\$ 23,546,940
Non-Revenue Receipts					
Sale of Property					
Real Property	\$ 829,581	\$ 500,000	\$ 500,000	\$ 500,000	\$ 510,000
Vehicles	59,973	21,000	60,000	21,000	60,000
Inventory and Other Materials	71,569	32,000	75,000	32,000	80,000
Unclaimed Property	27,619	21,000	30,000	21,000	30,000
Other	125,155	42,000	125,000	42,000	125,000
Sub-Total	1,113,897	616,000	790,000	616,000	805,000
Recovered Expenditures					
Uninsured Damages	28,092	55,000	30,000	55,000	30,000
Industrial Insurance	193,997	126,000	195,000	126,000	195,000
Payroll Deductions Charges	2,130	3,000	3,000	3,000	3,000
Services	44,501	-0-	45,000	-0-	45,000
Other	132,055	305,000	132,000	305,000	140,000
Sub-Total	400,775	489,000	405,000	489,000	413,000



## GENERAL FUND

FINANCIAL RESOURCES	Actual FY 2004	Adopted FY 2005	Estimated FY 2005	Approved FY 2006	Recommended FY 2006
Non-Revenue Receipts (Continued)					
Sundry Income					
Reimbursement Court Attorney Fees	\$ 73,011	\$ 90,000	\$ 75,000	\$ 90,000	\$ 75,000
Employee Fees	6,849	9,000	7,000	9,000	8,000
Election Campaign Contributions	47,123	-0-	48,000	-0-	50,000
Open Space Contributions	11,929	-0-	12,000	-0-	12,000
Other	129,470	127,000	130,000	127,000	130,000
Sub-Total	268,382	226,000	272,000	226,000	275,000
Other General Revenues	-0-	1,000,000	-0-	1,000,000	2,000,000
Off Duty Police Program	2,834,635	3,129,170	3,129,170	3,131,680	3,109,060
Other Funding Sources		2,577,310	2,334,370	2,544,370	2,304,110
Total	\$ 4,617,689	\$ 8,037,480	\$ 6,930,540	\$ 8,007,050	\$ 8,906,170
Certificates of Participation		\$ 48,723,580	\$ 39,853,343	\$ 7,748,300	\$ 16,884,300
Brought Forward	\$ -0-	\$ 3,994,320	\$ 3,994,320	\$ -0-	\$ 1,744,000
Use/Transfers to Fund Balance					
Uses of Fund Balance	109,158	332,300	105,000	-0-	3,979,000
Transfers to Fund Balance	(3,840,052)	-0-	-0-	-0-	-0-
Use/Transfers to Fund Balance	\$ ( 3,730,894)	\$ 332,300	\$ 105,000	\$ -0-	\$ 3,979,000
<b>Total General Fund</b>	<b>\$ 305,114,971</b>	<b>\$ 383,144,910</b>	<b>\$ 376,494,319</b>	<b>\$ 363,955,680</b>	<b>\$ 376,801,410</b>

## GENERAL FUND

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### HIGHLIGHTS

#### Primary Property Tax

The city's Fiscal Year 2006 projected primary property tax revenue is \$272,440 higher than the Fiscal Year 2005 adopted revenues. Although the tax rate remains the same at \$0.3531 per \$100 of assessed valuation, valuations have increased. The Fiscal Year 2006 projection is \$77,260 lower than the approved budget for Fiscal Year 2006, again, based on valuations.

#### Business Privilege Tax

Revenue from the business privilege tax, or sales tax, is a funding source for the general fund and various special revenue funds. For Fiscal Year 2006 the total projected sales tax collections are \$184,540,000, an increase of 5% based on strong economic growth. Revenues related to cable services have been transferred to a separate revenue group reducing the estimate by \$970,000. The general fund is reduced by contributions to special revenue funds, which are projected to increase \$1,727,320 in Fiscal Year 2006 for a total allocation of \$55,492,400. The Fiscal Year 2006 projection is \$860,000 lower than the Fiscal Year 2006 approved budget primarily due to the cable revenue transfer. Contributions to other funds increased to continue funding the library system based on a proposed transition to full funding from the Pima County Library District.

#### Other Local Taxes

Other local tax revenues for Fiscal Year 2006 are projected to increase \$1,020,000 over adopted Fiscal Year 2005 amounts, a 4.1% increase based on the economic growth. The Fiscal Year 2006 estimate is \$270,000 higher than the approved budget for Fiscal Year 2006.

#### Licenses and Permits

This revenue source increased by \$2,652,010 from adopted Fiscal Year 2005 revenues. In addition to the transfer of cable revenues from the Business Privilege Tax, an increase of \$940,000 is estimated for Utility Franchise Fees based on economic growth. Full year revenues from fire inspections (\$299,250) and Temporary Workzone Traffic Control (\$150,000) are included for Fiscal Year 2006. The Fiscal Year 2006 estimate is \$1,346,400 higher than the approved budget for Fiscal Year 2006 primarily due to the transfer of cable revenues and strong franchise fees.

#### Fines, Forfeitures, and Penalties

Total revenues from all fines, forfeitures, and penalties are forecast to increase \$163,170 from Fiscal Year 2005 adopted revenues. The Fiscal Year 2006 estimate is \$36,830 lower than the approved budget for Fiscal Year 2006.

#### Use of Money and Property

An increase of \$431,760 for Fiscal Year 2006 from Fiscal Year 2005 adopted revenues is projected for these revenue sources due to higher interest rates and rental income. The Fiscal Year 2006 projection is \$385,230 higher than the approved budget for Fiscal Year 2006.

#### Grants and Shared Taxes

State shared taxes and other state and local grant funds increased \$6,258,830 for Fiscal Year 2006 over Fiscal Year 2005 adopted revenues. Auto lieu taxes are projected to increase \$1,820,000 based on 4% growth on top of higher estimated Fiscal Year 2005 revenues. The League of Arizona Cities and Towns is projecting state sales tax distributions of \$47,670,000 in Fiscal Year 2006, an increase of \$4,484,730 over the Fiscal Year 2005 Adopted Budget. The Fiscal Year 2006 estimate for Grants and Shared Taxes is \$3,288,460 higher than the approved budget for Fiscal Year 2006.

#### State Revenue Sharing

An increase in state income taxes of \$6,076,550 is forecast for Fiscal Year 2006 compared to the Fiscal Year 2005 Adopted Budget based on estimates from the League of Arizona Cities and Towns. The Fiscal Year 2006 distribution is based on Fiscal Year 2004 state income tax collections, which grew approximately 14%. The Fiscal Year 2006 estimate is \$1,700,000 higher than the approved budget for Fiscal Year 2006.

## GENERAL FUND

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### **Charges for Current Services**

Total charges for current services for Fiscal Year 2006 are projected to increase \$143,270 over Fiscal Year 2005 adopted revenues. Anticipated rate increases for Parks and Recreation were deferred, resulting in a decrease of \$1,230,000. This was offset by an increase of \$1,193,000 in Emergency Medical Transport fees and moderate increases in other charges. The Fiscal Year 2006 projection is \$1,381,940 lower than the approved budget for Fiscal Year 2006 primarily due to deferring Parks and Recreation fee increases.

### **Non-Revenue Receipts**

These sources are projected to decrease \$868,690 for Fiscal Year 2006 primarily due to a \$1,000,000 increase in capacity for Other General Revenues offset by moderate reductions in other sources. The proposed allotment of Other General Revenues reflects capacity for additional revenues that will be utilized to meet unexpected service demands or opportunities, contingent upon the availability of funds. The Fiscal Year 2006 projection is \$899,120 higher than the approved budget for Fiscal Year 2006 primarily due to the increase in capacity.

### **Certificates of Participation**

Certificates of participation decreased \$31,839,280 based on financing requirements of \$16,884,300 in Fiscal Year 2006. Major uses include capital improvements such as the new Emergency Communications System and equipment, the new Police Substation, and purchases of capital equipment.

### **Brought Forward**

Brought Forward funding will decrease \$2,250,320 from the Fiscal Year 2005 adopted amount based on Fiscal Year 2006 carryforward requirements of \$1,744,000. No Brought Forward funds were anticipated in the Fiscal Year 2006 approved budget.

### **Use/Transfers to Fund Balances**

Use of fund balance is budgeted at \$3,979,000 for Fiscal Year 2006. This includes one-time use of reserves to offset funding requirements for the library system and the use of restricted reserves for Development Services and acquisition of a Police helicopter. No Uses/Transfers to Fund Balance were anticipated in the Fiscal Year 2006 approved budget.

## SPECIAL REVENUE FUNDS

FINANCIAL RESOURCES	Actual FY 2004	Adopted FY 2005	Estimated FY 2005	Approved FY 2006	Recommended FY 2006
General Fund Contributions					
Library Fund	\$ 8,361,672	\$ 9,005,120	\$ 8,777,258	\$ -0-	\$ 8,000,000
Public Safety Academy Fund	3,262,367	4,917,960	5,139,570	5,038,960	5,045,200
Tucson Convention Center Fund	7,244,328	6,459,730	6,652,730	6,710,620	6,797,740
Transportation Enterprise Area Management (TEAM) Parking	492,921	-0-	-0-	-0-	-0-
Mass Transit Fund	25,535,435	33,382,270	29,928,520	36,196,370	35,649,460
Total	<u>\$ 44,896,723</u>	<u>\$ 53,765,080</u>	<u>\$ 50,498,078</u>	<u>\$ 47,945,950</u>	<u>\$ 55,492,400</u>
Licenses and Permits					
Transportation Enterprise Area Management (TEAM) Parking Meter Collections	\$ 454,153	\$ 465,000	\$ 465,000	\$ 480,000	\$ 730,000
Hooded Meter Fees	15,020	10,000	15,000	12,000	16,000
Highway User Revenue Fund	412,922	-0-	-0-	-0-	-0-
Total	<u>\$ 882,095</u>	<u>\$ 475,000</u>	<u>\$ 480,000</u>	<u>\$ 492,000</u>	<u>\$ 746,000</u>
Fines, Forfeitures, and Penalties					
TEAM Parking Violations	\$ 406,129	\$ 326,000	\$ 560,000	\$ 333,000	\$ 590,000
Total	<u>\$ 406,129</u>	<u>\$ 326,000</u>	<u>\$ 560,000</u>	<u>\$ 333,000</u>	<u>\$ 590,000</u>
Use of Money and Property					
TEAM Parking Revenues	\$ 1,219,241	\$ 1,215,000	\$ 1,173,000	\$ 1,430,000	\$ 2,175,000
Interest Earnings					
Public Safety Fund	3,447	-0-	-0-	-0-	-0-
TEAM	558	-0-	-0-	-0-	-0-
Highway User Revenue Fund	219,762	464,000	518,400	464,000	550,000
Total	<u>\$ 1,443,008</u>	<u>\$ 1,679,000</u>	<u>\$ 1,691,400</u>	<u>\$ 1,894,000</u>	<u>\$ 2,725,000</u>
Grants and Shared Taxes					
Shared State Taxes					
Highway User Revenue Fund	\$ 39,264,149	\$ 32,458,120	\$ 40,835,000	\$ 33,900,070	\$ 42,468,000
Transfer to Debt Service	(5,855,485)	-0-	(8,477,650)	-0-	(9,161,110)
Local Transit Assistance Fund	2,690,290	2,646,230	2,690,000	2,650,000	2,592,000
Sub-Total	<u>36,098,954</u>	<u>35,104,350</u>	<u>35,047,350</u>	<u>36,550,070</u>	<u>35,898,890</u>

## SPECIAL REVENUE FUNDS

FINANCIAL RESOURCES	Actual FY 2004	Adopted FY 2005	Estimated FY 2005	Approved FY 2006	Recommended FY 2006
Grants and Shared Taxes (Continued)					
State and Local Grants					
City Attorney Grants	\$ 69,399	\$ 138,300	\$ 106,000	\$ 145,580	\$ 148,870
City Court Grants	91,936	399,140	375,390	402,900	399,140
Community Services Grants	51,999	650,000	650,000	650,000	650,000
Fire Grants	-0-	350,000	350,000	350,000	350,000
Pima County Library Support	9,840,330	9,840,330	9,632,549	21,940,080	13,915,830
Library Grants	81,136	1,000,000	1,000,000	1,000,000	1,000,000
Neighborhood Resources	-0-	-0-	110,303	-0-	-0-
Parks and Recreation Grants	1,344,496	3,205,250	913,810	1,092,160	2,345,590
Police Grants	741,958	1,142,390	1,142,390	1,154,150	1,273,380
Transportation Grants	5,376,123	17,968,800	12,181,952	15,975,000	16,245,500
Urban Planning	-0-	210,000	210,000	210,000	210,000
Information Technology	-0-	30,000	30,000	30,000	30,000
General Services Grants	-0-	1,500,000	100,000	1,500,000	1,500,000
Economic Development	99,520	-0-	-0-	-0-	-0-
Tucson-Mexico Trade Office	-0-	284,280	284,280	286,170	277,650
General Expense	68,145	-0-	5,930	-0-	-0-
Debt Service	800,000	800,000	800,000	1,300,000	1,300,000
Pima County Bonds	1,328,840	6,747,300	7,729,896	4,867,800	3,992,000
Sub-Total	19,893,882	44,265,790	35,622,500	50,903,840	43,637,960
Total	\$ 55,992,836	\$ 79,370,140	\$ 70,669,850	\$ 87,453,910	\$ 79,536,850
Charges for Current Services					
Public Safety Academy	\$ 228,453	\$ 851,580	\$ 883,580	\$ 853,380	\$ 878,950
Library Charges	505,762	570,000	570,000	570,000	570,000
Public Transportation					
Adult Fares	5,918,251	5,900,000	6,000,000	6,000,000	6,100,000
Special Reduced Rates	1,600,891	1,700,000	1,700,000	1,800,000	1,800,000
Shuttle Service	16,854	45,000	20,000	50,000	20,000
Advertising Revenue	372,504	200,000	370,000	200,000	380,000
County/Other Local Operating Assistance	3,167,836	2,700,000	3,000,000	2,750,000	3,100,000
Special Needs	309,197	280,000	310,000	300,000	320,000
Other	180,525	121,000	180,000	130,000	180,000
Sub-Total	11,566,058	10,946,000	11,580,000	11,230,000	11,900,000

## SPECIAL REVENUE FUNDS

FINANCIAL RESOURCES	Actual FY 2004	Adopted FY 2005	Estimated FY 2005	Approved FY 2006	Recommended FY 2006
Charges for Current Services (Continued)					
Tucson Convention Center					
Room and Space Rental	\$ 988,405	\$ 1,500,000	\$ 1,166,000	\$ 1,500,000	\$ 1,236,000
Box Office Fees	199,837	200,000	205,000	200,000	209,000
Parking	678,331	650,000	725,000	650,000	732,500
Parking Facility Fee	59,444	-0-	75,000	-0-	77,500
Recovered Expenditures	84,769	100,000	90,000	100,000	92,000
Catering and Concessions	444,498	440,000	475,000	440,000	503,500
Program Sales	50,243	80,000	55,000	80,000	58,000
Commission Revenues	116,214	100,000	120,000	100,000	125,000
Facility User Fees	278,246	750,000	404,000	750,000	432,000
Miscellaneous	35,647	-0-	36,000	-0-	36,000
Sub-Total	2,935,634	3,820,000	3,351,000	3,820,000	3,501,500
Total	\$ 15,235,907	\$ 16,187,580	\$ 16,384,580	\$ 16,473,380	\$ 16,850,450
Public Housing Local Revenue	\$ 2,590,752	\$ 2,680,860	\$ 2,280,000	\$ 2,680,860	\$ 2,280,000
Federal Grants					
Public Housing Federal Revenue					
Conventional/Development Fund	\$ 2,760,351	\$ 3,217,360	\$ 3,616,160	\$ 3,217,360	\$ 3,651,970
HOME Fund	4,149,331	9,344,710	9,340,830	8,762,410	8,125,390
Section 8 Fund	29,631,067	28,083,930	28,079,927	28,162,640	27,580,020
Comprehensive Housing Fund	1,701,818	2,488,320	3,076,720	2,490,940	2,789,730
Miscellaneous Federal Housing Funds	2,648,774	3,099,260	3,099,260	2,565,960	3,539,340
HOPE VI Fund	3,830,889	13,073,050	3,805,334	11,334,960	317,000
Sub-Total	44,722,230	59,306,630	51,018,231	56,534,270	46,003,450
Other Federal Revenue					
Community Development Block Grant Entitlement	7,701,184	15,106,170	13,375,026	12,778,750	13,153,730
City Attorney Grants	209,466	378,130	117,660	409,560	424,700
Community Services Grants	1,286,996	1,179,470	1,179,470	261,540	535,840
Fire Grants	223,510	-0-	946,211	-0-	98,380
Library Grants	46,915	-0-	98,748	-0-	-0-
Parks and Recreation Grants	287,326	708,990	127,120	725,370	720,930
Police Grants	3,228,458	5,797,280	6,082,490	5,317,020	5,430,830
Urban Planning Grants	-0-	130,000	433,000	80,000	390,000
Mass Transit Grants	15,116,261	32,459,730	20,299,630	11,472,930	28,950,730
Transportation Grants	2,207,243	12,225,990	17,276,766	14,772,850	24,711,420

## SPECIAL REVENUE FUNDS

FINANCIAL RESOURCES	Actual FY 2004	Adopted FY 2005	Estimated FY 2005	Approved FY 2006	Recommended FY 2006
Federal Grants					
Other Federal Revenue (Continued)					
Economic Development	\$ 58,778	\$ 342,050	\$ -0-	\$ 342,050	\$ 342,050
Tucson-Mexico Trade Office	77,222	270,600	143,372	273,350	381,660
General Services Grant	95,789	1,500,000	200,000	1,500,000	1,500,000
Debt Service	-0-	-0-	-0-	-0-	1,600,000
Sub-Total	30,539,148	70,098,410	60,279,493	47,933,420	78,240,270
Total	\$ 75,261,378	\$ 129,405,040	\$ 111,297,724	\$ 104,467,690	\$ 124,243,720
Non-Revenue Receipts					
Sale of Property					
Highway User Revenue Fund	\$ 200,410	\$ -0-	\$ -0-	\$ -0-	\$ 200,000
Mass Transit	51,503	-0-	-0-	-0-	-0-
Sub-Total	251,913	-0-	-0-	-0-	200,000
Other Non-Revenue Receipts					
Library Fund	557	-0-	-0-	-0-	-0-
Parks and Recreation	-0-	-0-	-0-	-0-	3,100,000
Highway User Revenue Fund	246,431	1,100,000	691,011	1,225,000	2,325,000
TEAM Shuttle	7,497	-0-	12,000	-0-	15,000
TEAM Contributions	-0-	840,000	836,481	-0-	-0-
Capital Agreement Funds	42,444	-0-	-0-	-0-	-0-
Sub-Total	296,929	1,940,000	1,539,492	1,225,000	5,440,000
Total	\$ 548,842	\$ 1,940,000	\$ 1,539,492	\$ 1,225,000	\$ 5,640,000
Certificates of Participation					
Highway User Revenue Fund	\$ -0-	\$ 557,000	\$ 557,000	\$ -0-	\$ -0-
TEAM	-0-	9,500,000	7,000,000	-0-	3,502,000
Fleet Services Fund	-0-	11,419,120	11,419,120	11,566,400	11,566,400
Total	\$ -0-	\$ 21,476,120	\$ 18,976,120	\$ 11,566,400	\$ 15,068,400
Brought Forward					
TEAM	-0-	95,300	95,300	-0-	-0-
Highway User Revenue Fund	-0-	4,601,000	4,601,000	-0-	-0-
Mass Transit Fund	-0-	1,819,800	1,819,800	-0-	2,399,600
Total	\$ -0-	\$ 6,516,100	\$ 6,516,100	\$ -0-	\$ 2,399,600

## SPECIAL REVENUE FUNDS

FINANCIAL RESOURCES	Actual FY 2004	Adopted FY 2005	Estimated FY 2005	Approved FY 2006	Recommended FY 2006
Use of Fund Balance					
Capital Agreements	\$ (90,677)	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Highway User Revenue Fund	1,943,236	9,576,910	3,740,322	8,330,310	9,589,350
Library	24,204	-0-	-0-	-0-	-0-
Public Safety Academy	3,973	-0-	-0-	-0-	-0-
Tucson Convention Center	73,386	-0-	121,000	-0-	490,500
Transit	1,044	-0-	-0-	-0-	-0-
TEAM	-0-	1,678,180	1,186,024	1,402,240	678,570
Total	\$ 1,955,166	\$ 11,255,090	\$ 5,047,346	\$ 9,732,550	\$ 10,758,420
<b>Total Special Revenue Funds</b>	<b>\$ 199,212,836</b>	<b>\$ 325,076,010</b>	<b>\$ 285,940,690</b>	<b>\$ 284,264,740</b>	<b>\$ 316,330,840</b>



## SPECIAL REVENUE FUNDS

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### HIGHLIGHTS

#### General Fund Contributions

Changes from Fiscal Year 2005 reflect increases and decreases necessary to offset the expenditures of specific funds supported by general revenues based on their projected budgets and revenues. For Fiscal Year 2006, general fund contributions increase \$1,727,320 because expenditures in the Public Safety Academy, Tucson Convention Center, and Mass Transit funds are growing faster than revenues. Contributions to the Library decrease based on the proposed transition to full funding from the Pima County Library District.

The Fiscal Year 2006 estimate is \$7,546,450 higher than the approved budget for Fiscal Year 2006 primarily due to continued funding of the library system. General Fund contributions to the Library Fund were anticipated to be eliminated in the Fiscal Year 2006 approved budget.

#### Licenses and Permits

This revenue consists of parking meter collections and fees, which are projected to increase \$271,000 in Fiscal Year 2006 based on increased parking meter installations. The Fiscal Year 2006 projection is \$254,000 higher than the approved budget for Fiscal Year 2006.

#### Fines, Forfeitures, and Penalties

Parking violation fine revenues are projected to increase \$264,000 from the adopted Fiscal Year 2005 budget due to expanded enforcement. The Fiscal Year 2006 projection is \$257,000 higher than the approved budget for Fiscal Year 2006.

#### Use of Money and Property

The majority of the projected \$1,046,000 increase is due to higher parking garage revenues, including revenues from the new Pennington Garage. The Fiscal Year 2006 projection is \$831,000 higher than the approved budget for Fiscal Year 2006.

#### Grants and Shared Taxes

For Fiscal Year 2006, state shared taxes and other state and local grants increased \$166,710 from the Fiscal Year 2005 adopted budget based on implementation of funded programs and projects. Major changes include the following:

- ◆ Highway User Revenue Fund distributions from the state are projected to increase \$848,770 due to economic growth.
- ◆ Pima County Library Support increased \$4,075,500 based on the proposed transition to full funding of the Library system from the Library District tax.
- ◆ Parks and Recreation grants decreased \$859,660 based on the completion of projects.
- ◆ Grant funding for transportation purposes decreased \$1,723,300 for street and public transportation projects.
- ◆ Debt service increased \$500,000 based on repayment of the Highway Expansion and Extension Loan program.
- ◆ Pima County bonds decreased \$2,755,300 based on the completion of projects.

The Fiscal Year 2006 estimate is \$7,917,060 lower than the approved budget for Fiscal Year 2006 primarily due to the change in library funding, which was anticipated to be fully funded by Pima County.

#### Charges for Current Services

User fees are projected to increase \$662,870 in Fiscal Year 2006 based on recent trends and anticipated usage of the services in this group. The Fiscal Year 2006 projection is \$377,070 lower than the approved budget for Fiscal Year 2006.

## **SPECIAL REVENUE FUNDS**

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### **Public Housing Local Revenue**

Local revenues restricted to public housing are anticipated to decrease \$400,860 for Fiscal Year 2006, with the same decrease compared to the approved budget for Fiscal Year 2006.

### **Federal Grants**

Federal funding is anticipated to be \$5,161,320 lower for Fiscal Year 2006 based on completion of projects and anticipated grant awards. Major changes are as follows:

- ◆ HOME funds decrease \$1,219,320.
- ◆ HOPE VI funding decreased \$12,756,050.
- ◆ Other federal housing funds increased \$672,190.
- ◆ Community Development Block Grant (CDBG) funds decrease \$1,952,440.
- ◆ Mass Transit and other transportation grants for capital projects increased \$8,976,430 for capital projects.
- ◆ Debt service increased \$1,600,000 based on repayment of the Highway Expansion and Extension Loan program.

The Fiscal Year 2006 estimate is \$19,776,030 higher than the approved budget for Fiscal Year 2006 due to carry over of projects originally scheduled for completion in Fiscal Year 2005.

### **Non-Revenue Receipts**

The \$3,700,000 increase is primarily from contributions to the Zoo and transportation improvements in FY 2006. The Fiscal Year 2006 estimate is \$4,415,000 higher than the approved budget for Fiscal Year 2006.

### **Certificates of Participation**

Certificates of Participation decreased \$6,407,720 based on financing requirements of \$15,068,400 in Fiscal Year 2006 to complete the Pennington Garage and to purchase capital equipment. The Fiscal Year 2006 requirement is \$3,502,000 higher than the approved budget for Fiscal Year 2006 due to the garage.

### **Brought Forward**

Brought forward funding decreased \$4,116,500 from Fiscal Year 2005 based on project completion. No requirements were anticipated for the approved Fiscal Year 2006 budget.

### **Use of Fund Balance**

Use of fund balances decreased \$496,670 for Fiscal Year 2006 based primarily on reduced requirements for TEAM programs. The Fiscal Year 2006 estimate is \$1,025,870 higher than the approved budget for Fiscal Year 2006 based on Highway User Revenue Fund requirements.

## ENTERPRISE FUNDS

FINANCIAL RESOURCES	Actual FY 2004	Adopted FY 2005	Estimated FY 2005	Approved FY 2006	Recommended FY 2006
Environmental Services Fund					
Operating Revenue					
General Fund Contribution	\$ 11,968,825	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Commercial Refuse Services	5,729,928	5,900,000	6,983,000	6,069,500	7,123,000
Residential Refuse Services	-0-	18,199,000	19,878,000	20,307,170	22,119,000
Landfill Services Charges	5,347,273	4,800,000	5,399,000	4,800,000	5,507,000
Tucson Clean Program	3,140,134	3,396,000	-0-	3,453,600	-0-
Self Haul Fee	737,347	1,100,000	995,000	1,113,000	1,015,000
Refuse Penalties	204,815	140,000	139,000	142,800	142,000
Recycling	1,180,668	700,000	1,295,000	721,000	1,321,000
Sub-Total	28,308,990	34,235,000	34,689,000	36,607,070	37,227,000
Non-Operating Revenue					
Interest Earnings	-0-	-0-	-0-	-0-	-0-
State and Local Grants	227,660	1,510,000	410,000	860,000	410,000
Federal Grants	3,755	-0-	-0-	-0-	-0-
Certificates of Participation and Debt Financing	-0-	9,733,650	9,733,650	3,313,250	917,250
Environmental Mandate Reserve	893,869	-0-	-0-	-0-	-0-
Miscellaneous Revenues	232,430	329,600	1,279,600	339,490	1,089,490
Transfers to Reserves	(1,153,809)	(3,935,930)	(2,723,810)	(2,407,340)	(1,783,650)
Sub-Total	203,905	7,637,320	8,699,440	2,105,400	633,090
Total	\$ 28,512,895	\$ 41,872,320	\$ 43,388,440	\$ 38,712,470	\$ 37,860,090
Golf Course Fund					
El Rio	\$ 1,227,866	\$ 1,304,460	\$ 933,000	\$ 1,304,460	\$ 1,304,460
Randolph	4,741,994	5,557,200	4,895,130	5,557,200	5,557,200
Fred Enke	1,526,614	1,665,980	1,680,470	1,665,980	1,665,980
Silverbell	1,696,058	1,816,900	1,446,000	1,816,900	1,816,900
Other	478,462	3,724,050	2,536,200	642,970	563,510
Certificates of Participation	268,022	-0-	-0-	-0-	1,570,000
Total	\$ 9,939,016	\$ 14,068,590	\$ 11,490,800	\$ 10,987,510	\$ 12,478,050

## ENTERPRISE FUNDS

FINANCIAL RESOURCES	Actual FY 2004	Adopted FY 2005	Estimated FY 2005	Approved FY 2006	Recommended FY 2006
Water Utility					
Operating Water Revenue					
Potable Water Sales	\$ 94,475,525	\$ 101,982,000	\$ 98,761,095	\$ 105,135,000	\$ 101,082,800
Central Arizona Project Surcharge	1,437,451	1,532,000	1,962,000	1,573,000	2,011,000
Connection Fees	3,737,533	3,200,000	2,700,000	3,200,000	3,000,000
Miscellaneous Revenue	5,356,791	2,964,000	3,396,000	2,964,000	3,396,000
Billing Services	1,877,042	1,877,000	1,877,000	1,877,000	1,877,000
Reclaimed Water Sales	5,874,518	6,152,000	6,191,905	6,971,000	6,789,200
Sales/Use Tax	-0-	10,280,000	10,280,000	10,609,000	10,609,000
Sub-Total	112,758,860	127,987,000	125,168,000	132,329,000	128,765,000
Non-Operating Water Revenue					
Interest Earnings	495,432	1,055,000	912,000	1,066,000	1,116,000
Tucson Airport Remediation Project Reimbursement	793,729	933,000	933,000	984,000	993,000
Metropolitan Water Company Reserve Account	245,812	414,000	414,000	-0-	-0-
Water System Equity Fees	11,693,249	6,933,000	5,749,000	7,081,000	6,754,000
Area Development Fees	925,694	939,000	939,000	907,000	907,000
Certificates of Participation	-0-	1,300,000	1,300,000	1,180,000	1,180,000
Transfers to Working Capital	(53,295)	(2,881,720)	209,070	(1,195,950)	(936,700)
Miscellaneous Grants	195,834	650,000	650,000	400,000	400,000
Sub-Total	14,296,455	9,342,280	11,106,070	10,422,050	10,413,300
Total	\$ 127,055,315	\$ 137,329,280	\$ 136,274,070	\$ 142,751,050	\$ 139,178,300
<b>Total Enterprise Funds</b>	<b>\$ 165,507,226</b>	<b>\$ 193,270,190</b>	<b>\$ 191,153,310</b>	<b>\$ 192,451,030</b>	<b>\$ 189,516,440</b>

## ENTERPRISE FUNDS

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### HIGHLIGHTS

#### **Environmental Services**

Environmental Services revenues projected for Fiscal Year 2006 reflect a decrease of \$4,012,230 from Fiscal Year 2005 adopted revenues. A decrease of \$8,816,400 in Certificates of Participation is partially offset by increased collections based on demand. No rate increases are recommended. The Fiscal Year 2006 projection is \$852,380 lower than the approved budget for Fiscal Year 2006.

#### **Golf Fund**

Golf revenues are projected to decrease \$1,590,540 for Fiscal Year 2006 due to completion of work on the Trini Alvarez Golf Course project funded with contributions and other funding. Certificates of Participation will be used to fund \$1,570,000 of the Silverbell Golf Course Project. The Fiscal Year 2006 projection is \$1,490,540 higher than the approved budget for Fiscal Year 2006 primarily based on the Silverbell project.

#### **Water Utility**

The adopted revenue for Fiscal Year 2006 reflects an increase of \$1,849,020 over the Fiscal Year 2005 adopted amount based on growth in service demand. No rate increases are recommended. The Fiscal Year 2006 estimate is \$3,572,750 lower than the approved budget for Fiscal Year 2006 based on revised capital requirements.

## DEBT SERVICE FUNDS

<b>FINANCIAL RESOURCES</b>	<b>Actual FY 2004</b>	<b>Adopted FY 2005</b>	<b>Estimated FY 2005</b>	<b>Approved FY 2006</b>	<b>Recommended FY 2006</b>
General Obligation Debt Service					
Secondary Property Tax	\$ 22,031,525	\$ 21,336,520	\$ 20,739,430	\$ 23,098,280	\$ 24,235,450
Total	\$ 22,031,525	\$ 21,336,520	\$ 20,739,430	\$ 23,098,280	\$ 24,235,450
Street and Highway Debt Service					
State Shared Taxes	\$ 13,322,580	\$ 16,548,380	\$ 16,209,650	\$ 17,398,730	\$ 17,203,110
Total	\$ 13,322,580	\$ 16,548,380	\$ 16,209,650	\$ 17,398,730	\$ 17,203,110
<b>Total Debt Service Funds</b>	<b>\$ 35,354,105</b>	<b>\$ 37,884,900</b>	<b>\$ 36,949,080</b>	<b>\$ 40,497,010</b>	<b>\$ 41,438,560</b>

## DEBT SERVICE FUNDS

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### HIGHLIGHTS

#### **General Obligation Debt Service**

General obligation debt service is funded from the secondary property tax, which increased \$2,898,930 for Fiscal Year 2006 based primarily on a \$25,000,000 bond sale. Debt service on these bonds will be shared with Utility Services-Environmental Services. The Fiscal Year 2006 requirement is \$1,137,170 higher than the approved budget for Fiscal Year 2006.

#### **Street and Highway Debt Service**

Street and highway debt service is financed entirely from state-shared gasoline taxes and highway user fees and charges. This debt service will increase \$654,730 in Fiscal Year 2006. The Fiscal Year 2006 requirement is \$195,620 lower than the approved budget for Fiscal Year 2006.

## CAPITAL PROJECTS FUNDS

<b>FINANCIAL RESOURCES</b>	<b>Actual FY 2004</b>	<b>Adopted FY 2005</b>	<b>Estimated FY 2005</b>	<b>Approved FY 2006</b>	<b>Recommended FY 2006</b>
General Obligation Bond Funds Proceeds	\$ 20,767,285	\$ 60,032,900	\$ 60,976,218	\$ 8,562,000	\$ 25,009,700
Street and Highway Revenue Bond Funds Proceeds	5,952,555	4,773,300	10,064,083	746,900	2,727,200
Environmental Services Bond Funds Proceeds	-0-	-0-	-0-	-0-	7,994,000
Water Revenue Bond Funds Proceeds	23,511,903	28,145,000	29,369,351	28,074,000	39,203,000
<b>Total Capital Projects Funds</b>	<b>\$ 50,231,743</b>	<b>\$ 92,951,200</b>	<b>\$ 100,409,652</b>	<b>\$ 37,382,900</b>	<b>\$ 74,933,900</b>



## CAPITAL PROJECTS FUNDS

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### HIGHLIGHTS

#### **General Obligation Bonds**

General obligation bonds are used to finance capital projects other than street, environmental services, and water projects. Fiscal Year 2006 uses decrease \$35,023,200 based on project implementation. The Fiscal Year 2006 requirement is \$16,447,700 higher than the approved budget for Fiscal Year 2006 due to carry over of projects from Fiscal Year 2005.

#### **Street and Highway Revenue Bonds**

Street and highway revenue bonds are used to finance Transportation street and right of way capital projects. Fiscal Year 2006 uses decrease \$2,046,100 based on project implementation. The Fiscal Year 2006 requirement is \$1,980,300 higher than the approved budget for Fiscal Year 2006 due to carry over of projects from Fiscal Year 2005.

#### **Environmental Services Bonds**

Environmental Services bonds are used to finance landfill and other environmental projects. Fiscal Year 2006 uses of \$7,994,000 reflect the sale of general obligation bonds used for environmental projects for the first time.

#### **Water Revenue Bonds**

Water revenue bonds used to finance water capital projects increased \$11,058,000 in Fiscal Year 2006. This includes bonds that will be presented for voter approval in May 2005. The Fiscal Year 2006 requirement is \$11,129,000 higher than the approved budget for Fiscal Year 2006 based on the May 2005 bond election.

## REVENUE DESCRIPTIONS

### PRIMARY PROPERTY TAX

The city imposes a primary property tax on real and personal property located within the city limits. Revenues from the primary property tax can be used to pay any expense legally chargeable to the General Fund.

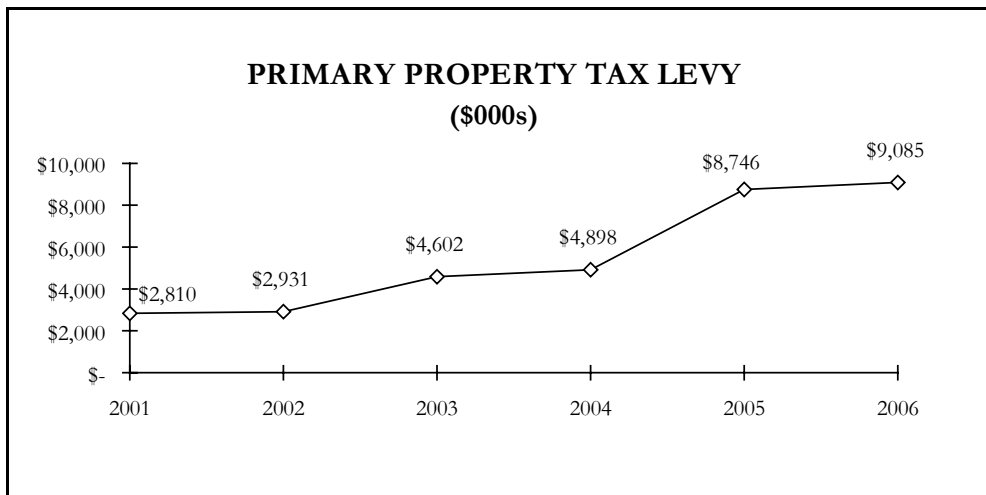
The Arizona State Constitution limits the amount of ad valorem taxes levied by the city to an amount not to exceed 2% greater than the maximum permissible levy in the preceding year. This levy limitation permits additional taxes to be levied on new or annexed property. New or annexed property may be taxed at the allowable rate computed for property taxed in the preceding year. Property annexed by November 1 will be taxable in the following year. The city is required, under the Truth in Taxation law, to notify taxpayers of its intention to increase primary property taxes over the previous year's levy, unless the amount increased is solely attributable to new construction and annexations.

The estimated primary property tax for Fiscal Year 2006 is \$9,084,560 or \$338,096 more than last year's levy of \$8,746,464. The tax rate remains at \$0.3531 per \$100 of assessed valuation. Fiscal Year 2006 revenues are growing due to a 3.9% increase in assessed valuation. The adopted budget for Fiscal Year 2005 was \$8,812,120. The following table shows the primary assessed valuations, levies, and rates since Fiscal Year 2001.

### PRIMARY PROPERTY TAX (\$000s)

<u>Fiscal Year</u>	<u>Primary Assessed Valuation</u>	<u>Percent Change</u>	<u>Maximum Allowable Tax Levy</u>	<u>Primary Tax Levy*</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>	<u>Rate per \$100 Assessed Valuation</u>
2001	\$ 1,999,070	10.0%	\$ 7,436	\$ 2,810	\$ 214	8.2%	\$ 0.1406
2002	2,089,090	4.5%	7,775	2,931	121	4.3%	0.1403
2003	2,202,934	5.4%	8,146	4,602	1,671	57.0%	0.2089
2004	2,344,619	6.4%	8,477	4,898	296	6.4%	0.2089
2005	2,477,050	5.6%	8,812	8,746	3,848	78.6%	0.3531
2006 (Estimate)	2,572,802	3.9%	9,241	9,085	339	3.9%	0.3531

\*Primary property tax levy set by Mayor and Council.



## SECONDARY PROPERTY TAX

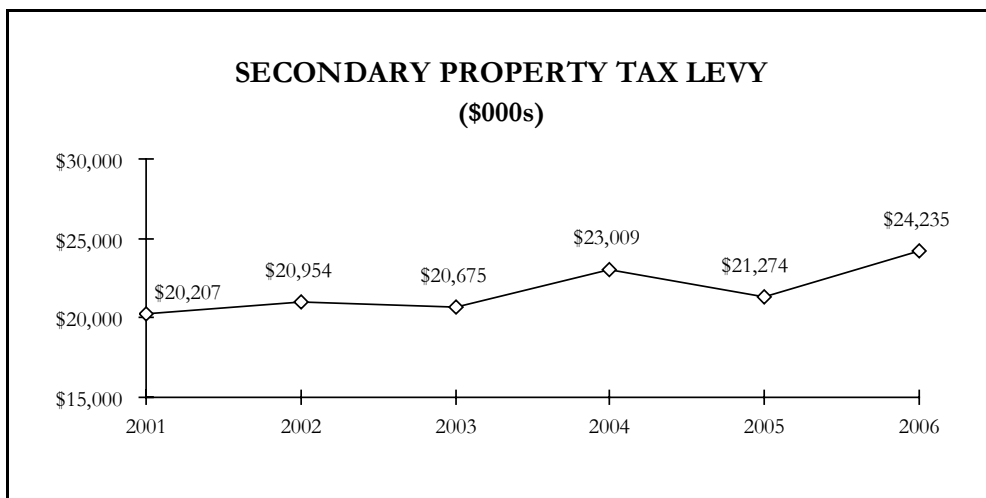
The city imposes a secondary property tax on real property located within the city limits. The secondary property tax is used solely to pay the principal and interest on general obligation bonds approved by the voters.

The secondary assessed valuation is based on the full cash value of real property. Full cash value is synonymous with the market value as determined by standard appraisal methods. There is no limitation on the annual increase to the full cash value as it applies to the computation of the secondary property tax. The Fiscal Year 2006 secondary assessed valuation is estimated to be \$2,724,720, a 6.5% increase over last year's valuation.

The city's total estimated debt service requirement on general obligation bonds for Fiscal Year 2006 is \$24,235,450. The secondary property tax rate for Fiscal Year 2006 is estimated at \$0.8895 per \$100 of assessed valuation, an increase of \$0.0579, based on a \$25 million bond sale in the spring of 2005. The adopted budget for Fiscal Year 2005 was \$21,336,520. The following table and graph show secondary assessed valuations, levies, and rates since Fiscal Year 2001.

### SECONDARY PROPERTY TAX (\$000s)

<u>Fiscal Year</u>	<u>Secondary Assessed Valuation</u>	<u>Percent Change</u>	<u>Secondary Tax Levy*</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>	<u>Rate per \$100 Assessed Valuation</u>
2001	\$ 2,048,620	5.3%	\$ 20,207	\$ 3,070	17.9%	\$ 0.9864
2002	2,138,461	4.4%	20,954	747	3.7%	0.9799
2003	2,268,733	6.1%	20,675	(279)	(1.3%)	0.9113
2004	2,427,124	7.0%	23,009	2,334	11.3%	0.9480
2005	2,558,231	5.4%	21,274	(1,735)	(7.5%)	0.8316
2006 (Estimate)	2,724,721	6.5%	24,235	2,961	13.9%	0.8895



\*Secondary property tax levy set by Mayor and Council.

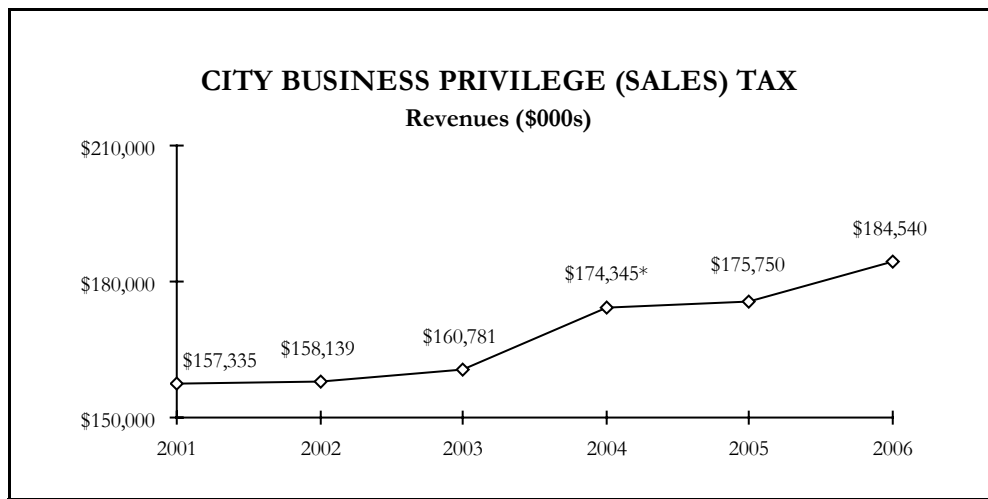
## CITY BUSINESS PRIVILEGE (SALES) TAX

The Tucson City Charter authorizes a 2% tax on taxable business activity transacted within the city. The tax is imposed on 15 separate business activities. The charter exempts food purchased for home consumption, but allows the taxation of food consumed in restaurants or carried out. The charter further provides that as long as the city sales tax is imposed, no ad valorem tax shall be imposed on real or personal property within the city in excess of \$1.75 per \$100 of assessed valuation. The city sales tax can be used to pay any expense legally chargeable to the General Fund. Mayor and Council policy allocates a portion of the city sales tax collected to finance part of mass transit, library, convention center, and public housing operations.

Tucson's economy is anticipated to grow and sales tax revenues are projected to increase 5% in Fiscal Year 2006. The city sales tax estimate of \$184,540,000 for Fiscal Year 2006 is an increase of \$8,790,000, over the prior year revised estimate of \$175,750,000 due to continued economic growth. The following table and graph show city business privilege tax collections since Fiscal Year 2001.

### CITY BUSINESS PRIVILEGE (SALES) TAX (\$000s)

<u>Fiscal Year</u>	<u>Revenues</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
2001	\$ 157,335	\$ 10,105	6.9%
2002	158,139	804	0.5%
2003	160,781	2,642	1.7%
2004*	174,345	13,564	8.4%
2005 (Estimate)	175,750	1,405	0.8%
2006 (Estimate)	184,540	8,790	5.0%



\* Includes recognition of a one-time settlement from Qwest of \$7 million.

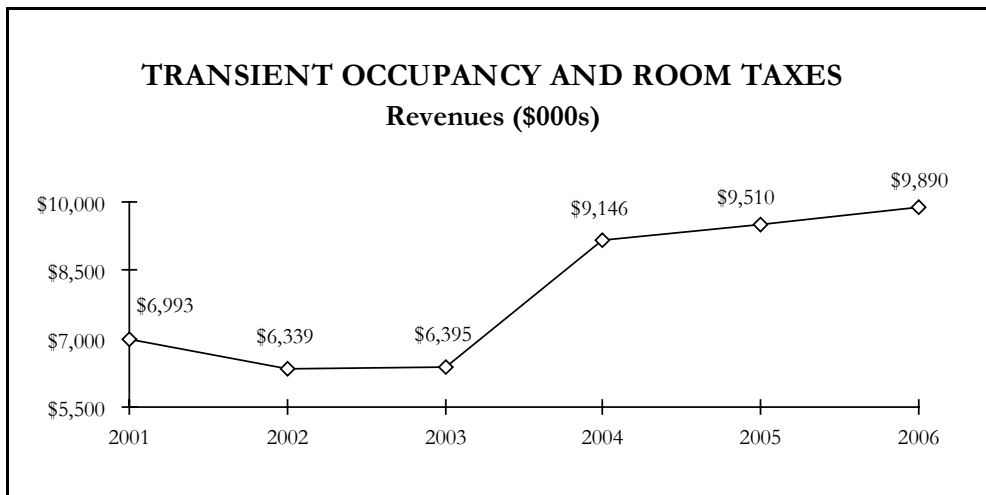
## TRANSIENT OCCUPANCY AND ROOM TAXES

The Tucson City Code authorizes a 6% transient occupancy tax on rooms rented for 30 days or less. This rate was increased from 4% in Fiscal Year 2004, generating revenues which by state statute are dedicated to tourism. In Fiscal Year 1989, an additional daily hotel/motel surtax of \$1.00 per rented room was authorized.

Estimated transient occupancy taxes for Fiscal Year 2006 total \$9,890,000, a 4.0% increase over the prior year estimate of \$9,510,000. The Fiscal Year 2006 estimate is comprised of \$7,760,000 in revenues from the 6% tax and \$2,130,000 from the \$1.00 surtax. The adopted budget for Fiscal Year 2005 was \$9,240,000. The following table and graph show Transient Occupancy and Room Tax collections since Fiscal Year 2001.

### TRANSIENT OCCUPANCY AND ROOM TAXES (\$000s)

<u>Fiscal Year</u>	<u>Revenues</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
2001	\$ 6,993	\$ 173	2.5%
2002	6,339	(654)	(9.4%)
2003	6,395	56	0.9%
2004	9,146	2,751	43.0%
2005 (Estimate)	9,510	364	4.0%
2006 (Estimate)	9,890	380	4.0%



## LICENSES AND PERMITS

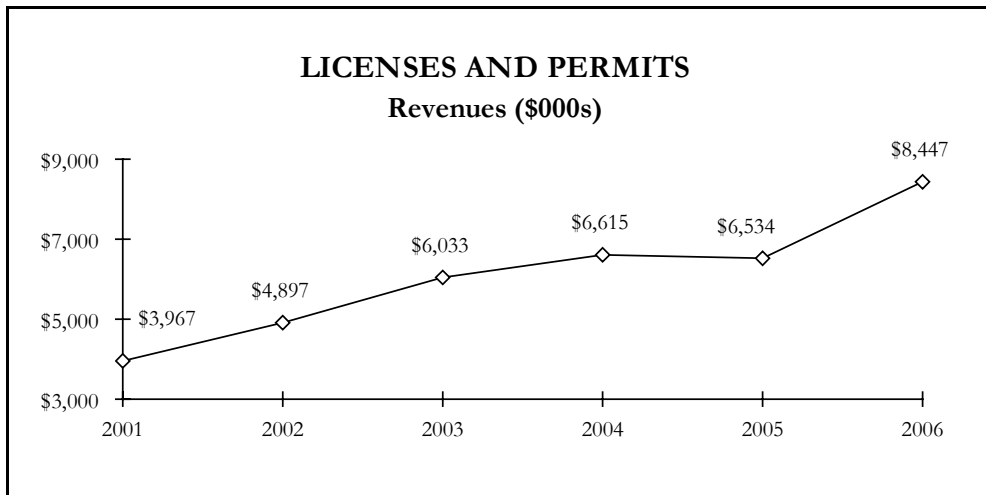
Revenues from licenses and permits include sign and street work permits, parking meter collections, utility franchises, cable television, refuse hauling permits, and telecommunications licenses and franchise fees.

Although utility franchises are accounted for and reported within this revenue category in the city's Comprehensive Annual Financial Report, the discussion on estimated revenues from utility franchises granted to Tucson Electric Power and Southwest Gas is presented separately in Public Utility Tax and Utility Franchise Fees (see page E-45).

Revenues from licenses and permits in Fiscal Year 2006, excluding utility franchise fees, is estimated to total \$8,446,700, which is a 29.3% increase over the prior year's estimate of \$6,533,900. The increase is primarily due to parking meter collections from new meters and full year revenues from a new fire inspection fee and a temporary workzone traffic control fee. The adopted budget for Fiscal Year 2005 was \$6,463,690. The following table and graph show revenues from licenses and permits since Fiscal Year 2001.

### LICENSES AND PERMITS (\$000s)

<u>Fiscal Year</u>	<u>Revenues</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
2001	\$ 3,967	\$ (439)	(10.0%)
2002	4,897	930	23.4%
2003	6,033	1,136	23.2%
2004	6,615	582	9.6%
2005 (Estimate)	6,534	(81)	(1.2%)
2006 (Estimate)	8,447	1,913	29.3%



## PUBLIC UTILITY TAX AND UTILITY FRANCHISE FEES

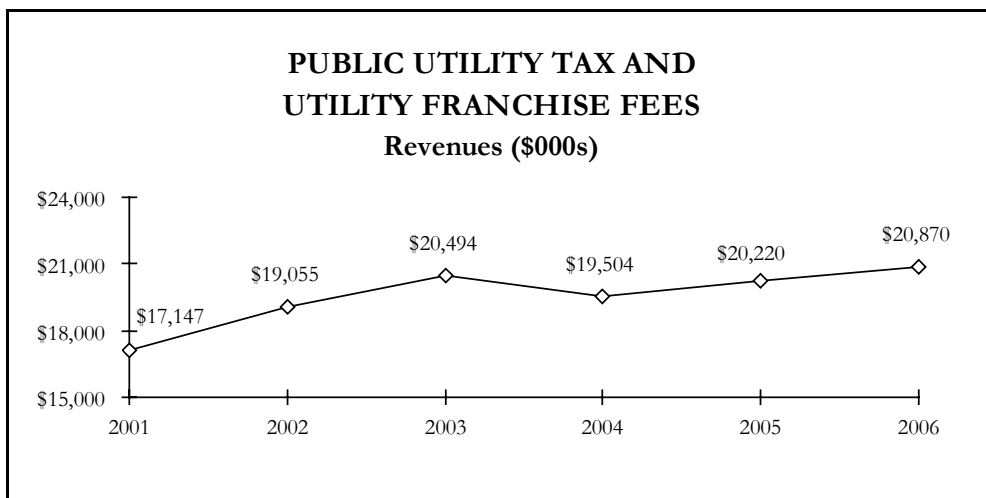
The Tucson City Charter authorizes a tax on the gross sales by public utilities to consumers within the city limits. By ordinance, the tax rate is set at 2% and is imposed in addition to the 2% city sales tax.

Under the terms of voter-approved franchises granted to Tucson Electric Power and Southwest Gas for use of public rights-of-way, the city collects 2.25% on gross sales of electricity and 2.5% on natural gas consumed within the city. However, franchise fee payments received from Tucson Electric Power and Southwest Gas reduce the public utility tax due from these two utilities. Monies received from public utility taxes and utility franchise fees can be used to pay any expense legally chargeable to the General Fund.

Estimated revenues from public utility taxes and utility franchise fees for Fiscal Year 2006 total \$20,870,000, a 3.2% increase over last year's revised estimate of \$20,220,000. The adopted budget for Fiscal Year 2005 was \$20,050,000. The following table and graph show revenues from public utility tax and utility franchise fees since Fiscal Year 2001.

### PUBLIC UTILITY TAX AND UTILITY FRANCHISE FEES (\$000s)

<u>Fiscal Year</u>	<u>Public Utility Tax</u>	<u>Utility Franchise Fees</u>	<u>Combined Revenues</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
2001	\$ 6,539	\$ 10,608	\$ 17,147	\$ 1,939	12.7%
2002	7,853	11,202	19,055	1,908	11.1%
2003	9,267	11,227	20,494	1,439	7.6%
2004	7,888	11,616	19,504	(990)	(4.8%)
2005 (Estimate)	8,090	12,130	20,220	716	3.7%
2006 (Estimate)	8,250	12,620	20,870	650	3.2%



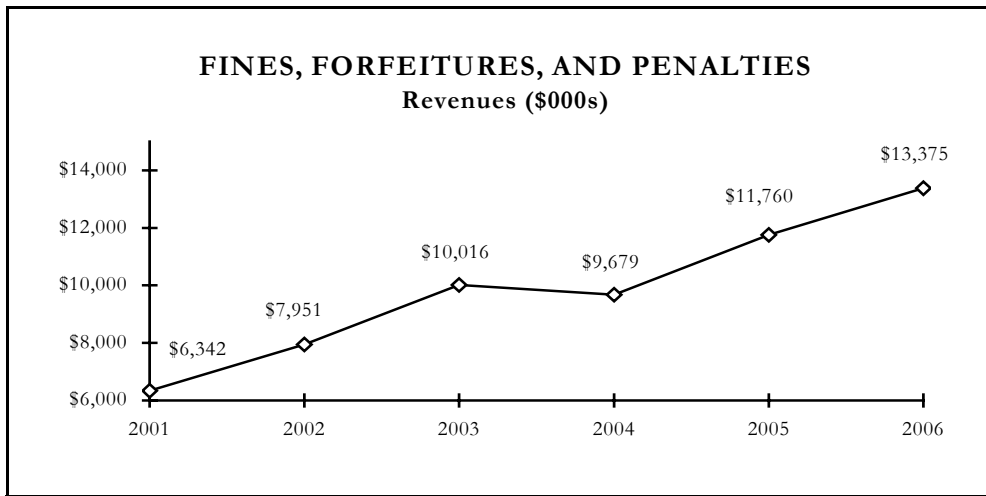
## FINES, FORFEITURES, AND PENALTIES

The source of this revenue is derived from fines for violations of state statutes and the Tucson City Code, and forfeitures collected by the Tucson Police Department and the City Attorney. Fines include driving under the influence, other criminal misdemeanors, civil traffic violations, and parking violations. Fine revenues can be used by the city to pay any expense legally chargeable to the General Fund; however, forfeitures are restricted.

The Fiscal Year 2006 estimate of \$13,375,330 is 13.7% more than the \$11,760,000 revised estimate for Fiscal Year 2005, primarily due to an increase for court default fees and improved court collection efforts. The adopted budget for Fiscal Year 2005 was \$12,948,160. The following table and graph show revenues from fines, forfeitures, and penalties since Fiscal Year 2001.

### FINES, FORFEITURES, AND PENALTIES (\$000s)

<u>Fiscal Year</u>	<u>Revenues</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
2001	\$ 6,342	\$ 540	9.3%
2002	7,951	1,609	25.4%
2003	10,016	2,065	25.9%
2004	9,679	(337)	(3.4%)
2005 (Estimate)	11,760	2,081	21.5%
2006 (Estimate)	13,375	1,615	13.7%





## VEHICLE LICENSE (AUTO LIEU) TAX

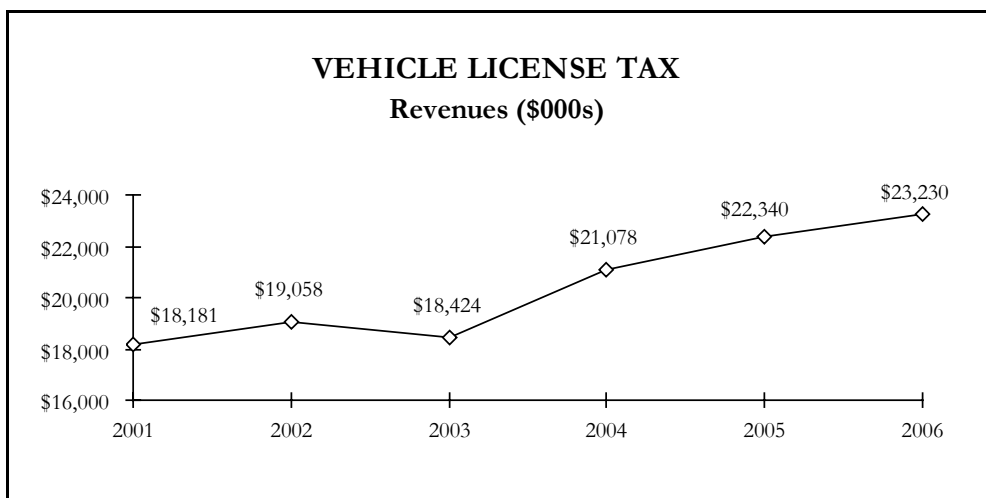
This tax is imposed by the Arizona Constitution as an “in-lieu” tax for all ad valorem property taxes assessed on motor vehicles. The Arizona Constitution requires that vehicle license tax (VLT) revenues be distributed to the state, counties, and cities. Additionally, the Arizona Constitution requires that a portion of the state’s distribution go to fund education. The vehicle license tax is based on each \$100 of a vehicle’s value. The valuation base for the first year is 60% of the manufacturer’s base retail price and the annual depreciation rate for each succeeding year is 16.25%. The statute sets specific rates for each vehicle license to be charged for each distribution recipient. The rate for incorporated cities and towns is sixty-nine cents (\$0.69) for a new vehicle and seventy-one cents (\$0.71) for a vehicle older than one year.

Current law provides that 41.37% of vehicle license taxes collected be retained by the state in the Highway User Revenue Fund (HURF). The statute establishes distributions that include 22.62% to the county treasurer to be distributed to the incorporated cities and towns of the county apportioned in proportion to the population of each as shown in the most recent United States census.

The City of Tucson’s vehicle license tax distributions for Fiscal Year 2006 is estimated to be \$23,230,000, which is an increase of 4.0% from the revised estimate of \$22,340,000 for Fiscal Year 2005. The adopted budget for Fiscal Year 2005 was \$21,410,000. Vehicle license tax revenues received by the city can be used to pay any expense legally chargeable to the General Fund. The following table and graph show total annual distributions to cities and towns within Pima County, the City of Tucson’s share since Fiscal Year 2001, and estimates for Fiscal Years 2005 and 2006.

### VEHICLE LICENSE TAX (\$000s)

<u>Fiscal Year</u>	<u>City of Tucson’s Distribution</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
2001	\$ 18,181	\$ 1,020	5.9%
2002	19,058	877	4.8%
2003	18,424	(634)	(3.3%)
2004	21,078	2,654	14.4%
2005 (Estimate)	22,340	1,262	6.0%
2006 (Estimate)	23,230	890	4.0%



## STATE SALES TAX

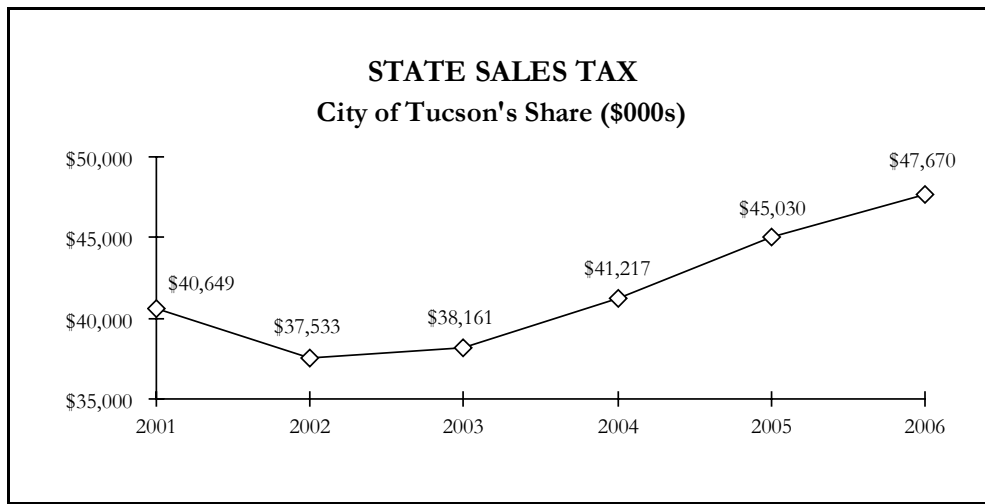
The state sales tax is assessed on the taxable income of business activities within the State of Arizona. The state taxes approximately 20 separate business activities using various rates ranging from 3.1% to 5.6%. Shared sales taxes can be used to pay any expense legally chargeable to the General Fund.

Approximately 78% of the state sales tax is retained by the state's general fund with 14% set aside for distribution to counties, and 8% to incorporated cities and towns. Each city's share is allocated in proportion to its population compared to the total population of the state.

The City of Tucson's share of state sales tax for Fiscal Year 2006 is estimated to be \$47,670,000, a 5.9% increase from the revised estimate of \$45,030,000 for Fiscal Year 2005. The adopted budget for Fiscal Year 2005 was \$43,185,270. The following table and graph show the state sales tax allocations to the City of Tucson since Fiscal Year 2001.

### STATE SALES TAX (\$000s)

<u>Fiscal Year</u>	<u>Total Distribution To Cities</u>	<u>Percent Change</u>	<u>City of Tucson's Share Percent</u>	<u>Amount</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
2001	\$ 312,676	4.4%	13.0%	\$ 40,649	\$ 2,004	5.2%
2002	310,190	(0.8%)	12.1%	37,533	(3,116)	(7.7%)
2003	317,500	2.4%	12.0%	38,161	628	1.7%
2004	343,475	8.2%	12.0%	41,217	3,056	8.0%
2005 (Estimate)	375,250	9.3%	12.0%	45,030	3,813	9.3%
2006 (Estimate)	398,000	6.1%	12.0%	47,670	2,640	5.9%



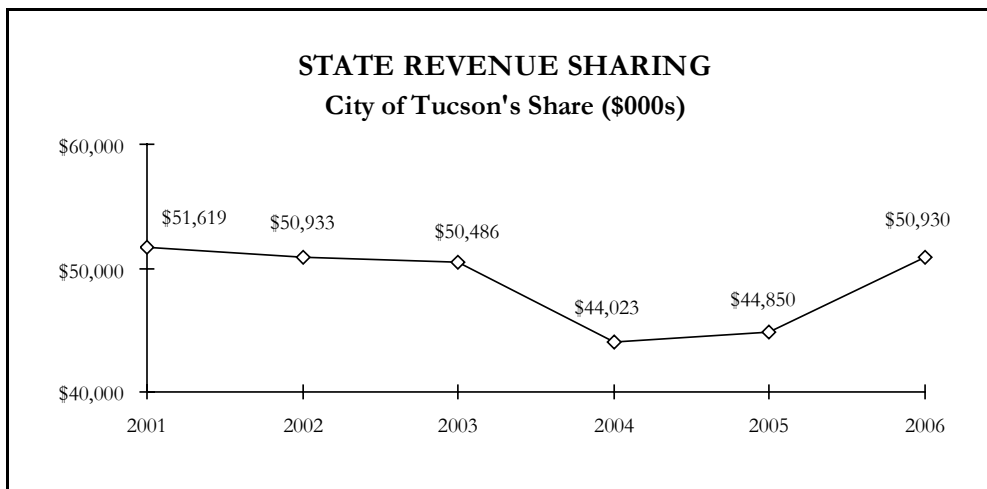
## STATE REVENUE SHARING

Incorporated cities and towns are prohibited from imposing local income taxes, but they do receive a share of net individual and corporate income taxes collected by the state which can be used to pay any expense legally chargeable to the General Fund. Distributions are actually made to cities and towns two fiscal years following the fiscal year in which the state collects the income taxes. The portion (of net income taxes collected two years earlier) currently distributable to incorporated cities and towns was set by statute at 15%. For Fiscal Year 2004 this rate was reduced to 14.8% by the state.

The city's portion of State Revenue Sharing distributions is estimated to be \$50,930,000 for Fiscal Year 2006, which is an increase of 13.6% from the revised estimate of \$44,850,000 for Fiscal Year 2005. The adopted budget for Fiscal Year 2005 was \$44,853,450. The following table and graph show the state income tax distributions to the City of Tucson since Fiscal Year 2001.

### STATE REVENUE SHARING (\$000s)

<u>Fiscal Year</u>	<u>Total Distribution To Cities</u>	<u>Percent Change</u>	<u>Tucson's Share Percent</u>	<u>Amount</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
2001	\$ 396,453	5.0%	13.0%	\$ 51,619	\$ 2,465	5.0%
2002	420,934	6.2%	12.1%	50,933	(686)	(1.3%)
2003	430,559	2.3%	12.0%	50,486	(447)	(0.9%)
2004	366,858	(14.8%)	12.0%	44,023	(6,463)	(12.8%)
2005 (Estimate)	373,750	1.9%	12.0%	44,850	827	1.9%
2006 (Estimate)	425,229	13.8%	12.0%	50,930	6,080	13.6%



## HIGHWAY USER REVENUE FUND (HURF) ALLOCATION

State of Arizona gasoline tax and highway user fees and charges are deposited in the state's Highway User Revenue Fund (HURF). Prior to allocation to counties and cities, funds are distributed to the Arizona Department of Public Safety to fund highway patrol costs and to the Arizona Economic Strength Fund. HURF monies remaining after these distributions are then shared with counties and cities. The current distribution formula provides that 50.5% be retained in the state highway fund, 19% be distributed to counties, 27.5% be distributed to all incorporated cities and towns, and a final 3% be distributed to cities with a population greater than 300,000.

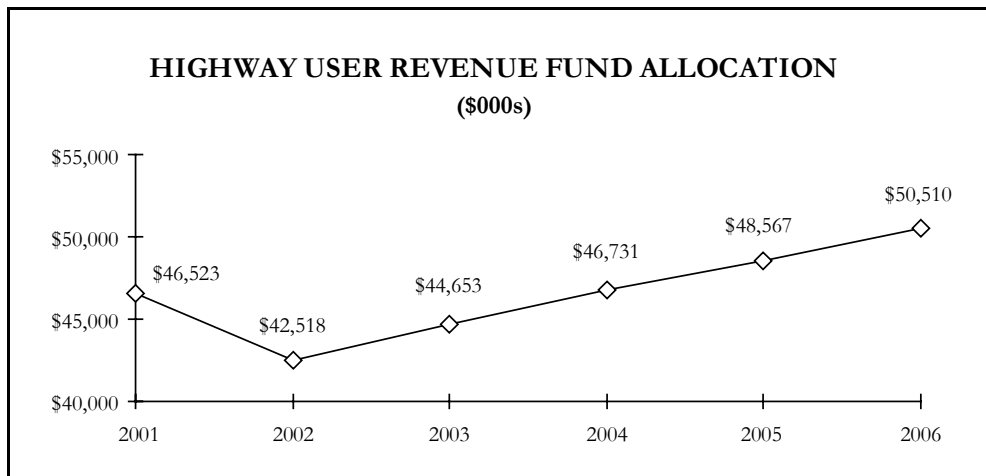
The 27.5% share earmarked for distribution to all incorporated cities and towns is often referred to as "regular HURF", and the Arizona Constitution requires that these funds be used solely for highway and street purposes which includes payment of principal and interest on street and highway bonds. These funds are allocated to individual cities and towns using a two-tier distribution formula. One-half of the "regular HURF" is apportioned to each city or town based on the population each bears to the population of all cities and towns in the state. The remaining half is then apportioned to counties based on each county's proportion of motor vehicle fuel sales within the state and is then distributed to each city or town within each county on the basis of its population.

The 3% allocation distributable to cities and towns with a population greater than 300,000, sometimes referred to as "restricted HURF", is also required to be used solely for highway and street purposes. However, these funds are further restricted to the acquisition of right-of-way or construction of streets or highways other than controlled-access highways. Phoenix, Tucson, and Mesa are the only cities currently sharing in this distribution, and the funds are distributed based on the 2000 decennial census.

The city's share of HURF distributions from the state is estimated to be \$50,510,000 for Fiscal Year 2006, which is a 4.0% increase from the revised estimate of \$48,567,000 for Fiscal Year 2005. The adopted budget for Fiscal Year 2005 was \$49,006,500. The following table and graph show the HURF allocations to the City of Tucson since Fiscal Year 2001.

### HIGHWAY USER REVENUE FUND ALLOCATION (\$000s)

<u>Fiscal Year</u>	<u>27.5% Share</u>	<u>3% Share</u>	<u>Total</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
2001	\$ 39,503	\$ 7,020	\$ 46,523	976	2.1%
2002	36,102	6,416	42,518	(4,005)	(8.6%)
2003	37,905	6,748	44,653	2,135	5.0%
2004	39,264	7,467	46,731	2,078	4.7%
2005 (Estimate)	40,835	7,732	48,567	1,836	3.9%
2006 (Estimate)	42,468	8,042	50,510	1,943	4.0%



## LOCAL TRANSPORTATION ASSISTANCE FUND (LTAF)

In November 1980, an initiative established a state lottery in Arizona. In July 1981, the state legislature established the Local Transportation Assistance Fund (LTAF) consisting of monies deposited initially from the state lottery fund to be distributed to Arizona cities and towns. Current law provides that the Arizona Legislature must appropriate whatever amount is necessary to ensure that a minimum of \$20,500,000 annually is deposited in the LTAF. Revenues from the state lottery have historically exceeded the minimum, and the state has not been required to subsidize the fund. Current law places an annual ceiling of \$23,000,000 on funds deposited from the state lottery fund into the LTAF for distribution to cities and towns.

Tucson, having a population of more than 300,000, is required to use these LTAF monies for public transportation operating expenses and related capital purposes. Statutes provide that cities may adopt resolutions authorizing the use of up to 10% annually of the LTAF monies for cultural, educational, historical, recreational, or scientific facilities or programs, or for certain non-residential outpatient local programs or services. However, the monies used in this manner must be matched equally with non-public monies spent for the same purposes.

In recent years, the LTAF has also been used as the depository for Arizona's share of revenues from the multi-state lottery (Powerball). The statutes place a ceiling of \$18,000,000 on multi-state lottery proceeds available for distribution to the cities and towns. State lottery ticket sales started declining after the introduction of Powerball; to compensate for the loss of state general fund revenues from the state lottery, the state appropriated monies received from the multi-state lottery to the state's general fund. Statutory annual minimum appropriations to the state's general fund were enacted by the Arizona Legislature before receipts from multi-state lottery sales were available for distribution to cities and towns.

The city is expected to receive \$2,592,000 in Fiscal Year 2006. The adopted budget for Fiscal Year 2005 was \$2,646,230. The following table shows the LTAF distribution to the City of Tucson since Fiscal Year 2001.

### LOCAL TRANSPORTATION ASSISTANCE FUND (\$000s)

<u>Fiscal Year</u>	<u>Tucson's Share</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
2001	\$ 2,811	\$ 300	11.9%
2002	2,763	(48)	(1.7%)
2003	2,721	(42)	(1.5%)
2004	2,690	(31)	(1.1%)
2005 (Estimate)	2,690	0	0.0%
2006 (Estimate)	2,592	(98)	(3.6%)



TEN-YEAR ADOPTED CITY STAFFING COMPARISON  
WITH FISCAL YEARS 2005 AND 2006

DEPARTMENTS	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Recommended FY 2006
<b>Elected and Official</b>												
Mayor	7.00	7.00	7.50	8.00	8.00	8.00	9.50	9.50	9.50	9.50	9.50	9.50
Council	29.00	29.00	32.50	35.50	35.50	36.50	43.50	43.50	43.50	43.50	43.50	42.00
City Manager <sup>a</sup>	19.80	19.20	23.00	22.00	21.00	22.00	23.75	24.25 <sup>15</sup>	22.25	19.25 <sup>19</sup>	19.00	19.00
City Clerk <sup>b</sup>	39.50	40.50	40.50	73.00	44.50	69.50	43.00	63.50	41.00	58.50	37.00	58.00
City Attorney	100.00	107.00	108.00	108.00	108.00	112.00	113.00	114.00	112.00	105.00	106.00	106.00
Sub-Total	195.30	202.70	211.50	246.50	217.00	248.00	232.75	254.75	228.25	235.75	215.00	234.50
<b>Neighborhood Services</b>												
City Court	133.80	138.80	138.80	141.30	145.30	141.80	143.80	143.80	138.30	137.30	141.30	141.30
Community Services	158.90	158.25	159.25	169.00	167.00	160.00	157.00	155.00	157.00	153.00	153.00	152.50
Fire	459.50	516.50	519.50	569.00 <sup>3</sup>	528.00	539.00	570.00	571.00	572.00	572.00	612.00 <sup>21</sup>	645.00 <sup>29</sup>
Library	241.75	243.75	253.00	253.00	265.50	265.50	299.50	287.25 <sup>16</sup>	287.75	286.75	282.75	308.75 <sup>30</sup>
Neighborhood Resources	5.00	5.00	5.00	7.00	7.00	11.00	11.00	11.00	21.00 <sup>18</sup>	19.00	20.00	20.00
Office of Equal Opportunity Programs and Independent Police Review <sup>c</sup>	8.00	9.00	9.00	11.00	11.00	11.00	12.00	12.50	11.00	10.00	9.00	9.00
Office of Public Defender	32.50	33.00	31.00	31.00	31.00	32.50	32.50	33.50	33.50	33.50	36.00	36.00
Parks and Recreation	580.00 <sup>1</sup>	577.00	596.00	631.50	685.75 <sup>4</sup>	720.25 <sup>6, 7</sup>	718.75 <sup>11</sup>	677.50 <sup>17</sup>	665.00	633.75	669.75 <sup>22</sup>	697.00 <sup>31</sup>
Police	1,048.00	1,102.00	1,146.00 <sup>2</sup>	1,154.00	1,191.50 <sup>5</sup>	1,266.50 <sup>8</sup>	1,355.00 <sup>12</sup>	1,362.00	1,356.00	1,353.50	1,373.50 <sup>23</sup>	1,411.50 <sup>32</sup>
Tucson City Golf	104.00	103.00	103.00	103.00	103.50	96.50	163.25 <sup>13</sup>	169.00	153.75	154.75 <sup>20</sup>	154.75	154.75
Sub-Total	2,771.45	2,886.30	2,960.55	3,069.80	3,135.55	3,244.05	3,462.80	3,422.55	3,395.30	3,353.55	3,452.05	3,575.80
<b>Environment and Development</b>												
Development Services	64.00	64.00	64.00	66.00	66.00	72.00	100.00 <sup>11</sup>	101.00	111.00 <sup>18</sup>	113.00	133.00 <sup>24</sup>	127.00 <sup>33</sup>
Utility Services-Environmental Services <sup>d</sup>	234.00	232.00	234.00	235.75	246.75	253.60	258.85	259.00	251.00	252.00	263.00 <sup>25</sup>	262.00
Transportation	366.50	376.50	378.50	384.00	386.50	401.50 <sup>7, 9</sup>	395.50 <sup>11</sup>	399.50	399.50	393.50 <sup>19</sup>	398.00 <sup>26, 27</sup>	405.00 <sup>33</sup>
Utility Services-Tucson Water	577.00	584.00	588.00	589.00	588.00	588.00	588.00	590.00	590.00	589.00 <sup>19</sup>	576.00 <sup>28</sup>	571.00 <sup>34</sup>
Urban Planning and Design	46.50	45.50	46.50	46.50	49.50	50.50	47.50 <sup>11</sup>	49.50 <sup>15</sup>	31.50 <sup>18</sup>	38.50 <sup>19</sup>	39.50	44.00 <sup>35</sup>
Zoning Examiner	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Sub-Total	1,290.00	1,304.00	1,313.00	1,323.25	1,338.75	1,367.60	1,391.85	1,401.00	1,385.00	1,388.00	1,411.50	1,411.00
<b>Strategic Initiatives</b>												
Intergovernmental Relations	2.25	2.75	2.75	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00 <sup>36</sup>
Office of Economic Development	16.00	18.00	18.10	22.10	23.75	14.00 <sup>10</sup>	15.50	15.50	17.50	14.50	15.50	13.00 <sup>35</sup>
Tucson Convention Center	55.00	58.00	58.00	62.00	61.00	61.00	63.50	63.00	60.00	56.25	61.75	63.75
Tucson-Mexico Trade Office	-0-	-0-	-0-	-0-	-0-	5.00 <sup>10</sup>	5.00	5.00	6.00	6.00	14.00	14.00
Sub-Total	73.25	78.75	78.85	86.10	86.75	82.00	86.00	85.50	85.50	78.75	93.25	93.75

TEN-YEAR ADOPTED COMPARISON  
WITH FISCAL YEARS 2005 AND 2006

DEPARTMENTS	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	Recommended FY 2006
Support Services												
Budget and Research	28.00	28.00	27.00	26.00	26.00	26.00	26.00	24.00 <sup>15</sup>	24.00	22.55 <sup>19</sup>	22.55	22.55
Finance	134.00	133.00	139.00	138.00	143.00	146.00	150.25	151.25	145.00	146.00	149.00	150.00
General Services	332.00	335.00	337.00	341.00	350.00	365.00	377.00	377.00	370.00	350.00	357.00 <sup>27</sup>	357.00
Human Resources	29.00	29.00	28.00	32.00	32.00	32.00	34.00	31.00 <sup>15</sup>	29.00	25.00	26.00	27.00
Information Technology <sup>a</sup>	78.00	79.50	82.42	82.42	92.12	94.12	88.12	91.12	84.66	81.16	101.16 <sup>27</sup>	100.16
Procurement	72.00	72.00	75.00	75.00	76.00	77.00	81.00	82.00	77.00	75.00	65.00 <sup>27</sup>	64.00
Sub-Total	673.00	676.50	688.42	694.42	719.12	740.12	756.37	756.37	729.66	699.71	720.71	720.71
Non-Departmental												
General Expense	-0-	-0-	-0-	-0-	-0-	-0-	3.00 <sup>14</sup>	5.50 <sup>15</sup>	5.75	4.75	4.75	4.75
Sub-Total	-0-	-0-	-0-	-0-	-0-	-0-	3.00	5.50	5.75	4.75	4.75	4.75
Total	5,003.00	5,148.25	5,252.32	5,420.07	5,497.17	5,681.77	5,932.77	5,925.67	5,829.46	5,760.51	5,897.26	6,040.51

<sup>a</sup> In Fiscal Year 2002, the offices of the City Manager were reflected in various service teams based on the functions of each office. During Fiscal Year 2002, Citizen and Neighborhood Services became the Department of Neighborhood Resources. In Fiscal Year 2003, the Grants function transferred back to City Manager, and Community Relations became part of Information Technology. For comparative purposes, staff is shown for all years in the service teams.

<sup>b</sup> Beginning in Fiscal Year 1998, non-permanent positions for city elections are added every other year to the City Clerk’s Office as follows: 29.5 in Fiscal Year 1998, 25 in Fiscal Year 2000, 20.5 in Fiscal Year 2002, 20.5 in Fiscal Year 2004, and 20.5 in Fiscal Year 2006.

<sup>c</sup> In Fiscal Year 2004, the Equal Opportunity Office and the Independent Police Auditor merged to form the Office of Equal Opportunity Programs and Independent Police Review. For comparative purposes, staff is shown for all years in the new office.

<sup>d</sup> In Fiscal Year 2004, Solid Waste Management and Environmental Management were merged to form Environmental Services. For comparative purposes, staff is shown for all years in the new department.



## **TEN-YEAR ADOPTED CITY STAFFING COMPARISON WITH FISCAL YEARS 2005 AND 2006 NOTES ON SIGNIFICANT CHANGES**

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- <sup>1</sup> In Fiscal Year 1995, the Parks and Recreation Department added 38.25 recreation positions for youth-related programs and 33 positions for the new El Pueblo pool and increased hours at other pools.
- <sup>2</sup> In Fiscal Year 1997, the Tucson Police Department added 24 community service officers for the new Community Service Officer Program, an additional 10 police officers to improve community policing, and 10 civilian support positions.
- <sup>3</sup> In Fiscal Year 1998, the Fire Department added 49.5 positions: 34 positions for annexations, 7 positions for a new paramedic unit, and 8.5 positions for a second vehicle maintenance shift and the public safety academy.
- <sup>4</sup> In Fiscal Year 1999, the Parks and Recreation Department added 54.25 positions: 32.5 positions for the Clements Center and Pool, 3.5 positions for the Quincie Douglas Center, 14.5 maintenance workers for other new or expanded facilities and parks, and 3.75 positions for expand programs.
- <sup>5</sup> In Fiscal Year 1999, the Tucson Police Department added 37.5 positions to improve community policing.
- <sup>6</sup> In Fiscal Year 2000, the Parks and Recreation Department added 42.5 positions: 27 positions for new grants, 8 positions for Aquatics, 6.5 positions for Quincie-Douglas Neighborhood Center, and 1 municipal intern.
- <sup>7</sup> In Fiscal Year 2000, to support median island maintenance, the Parks and Recreation Department transferred 9 positions to the Transportation Department, and 1 electrician was transferred from Transportation for a net decrease of 8 positions.
- <sup>8</sup> In Fiscal Year 2000, the Tucson Police Department added 75 positions: 50 police officers for the Universal Cops Hiring Grant and 2 in support of a new department reorganization, and 23 civilian support positions.
- <sup>9</sup> In Fiscal Year 2000, the Transportation Department's Van Tran Americans with Disabilities Act Compliance organization was transferred to the new Transit Division, with the existing 4 employees being converted to city positions and the addition of 3 new positions.
- <sup>10</sup> In Fiscal Year 2000, the Tucson-Mexico Trade Office was created by transferring 4 positions from the Office of Economic Development and adding 1 new position.
- <sup>11</sup> In Fiscal Year 2001, the consolidation of Plans Review included transferring 17 positions to the Development Services Department: 2 from the Parks and Recreation Department, 6 from the Department of Urban Planning and Design, and 9 from the Transportation Department.
- <sup>12</sup> In Fiscal Year 2001, the Tucson Police Department added 56 positions for the Universal Cops Hiring Grant and an additional 32.5 support positions.
- <sup>13</sup> In Fiscal Year 2001, Tucson City Golf added 66.75 positions in response to the Mayor and Council approved Tucson City Golf Business Plan.
- <sup>14</sup> In Fiscal Year 2001, 3 grant-funded positions were added to the General Expense budget for water conservation projects at the A-7 Ranch.
- <sup>15</sup> In Fiscal Year 2002, 3.5 positions were transferred from the City Manager's Office: 2.5 to the Non-Departmental budget to support of Rio Nuevo and 1 project manager to the Department of Urban Planning and Design. Additionally, 2 positions were transferred from the Budget and Research Department and 1 from the Human Resources Department to the City Manager's Office.
- <sup>16</sup> In Fiscal Year 2002, the Library Department eliminated 12.25 positions: 10.75 due to the elimination of Sunday library services at Woods, Mission, Miller-Golf Links, and Green Valley branches, 1.5 due to revised implementation of programs.

**TEN-YEAR ADOPTED CITY STAFFING COMPARISON  
WITH FISCAL YEARS 2005 AND 2006  
NOTES ON SIGNIFICANT CHANGES**

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- <sup>17</sup> In Fiscal Year 2002, a net reduction of 41.25 positions was made in the Parks and Recreation Department. A total of 49.25 positions were eliminated: 11 due to the completion of grants, 9 from the privatization of zoo concessions, and 29.25 from reductions in HICO/MIDCO, KIDCO, fee classes and summer aquatics programs. The department added 8 positions: 4 for grounds maintenance, 2 for capital project management, and 2 for a new KIDCO site.
- <sup>18</sup> A reorganization of Neighborhood Resources, Development Services and Urban Planning and Design departments' responsibilities resulted in an increase of 10 positions in Neighborhood Resources, and 10 positions in Development Services, and a reduction of 18 positions in Urban Planning and Design.
- <sup>19</sup> The Fiscal Year 2004 budget has been corrected to reflect positions that were funded but not included in the budget.
- <sup>20</sup> In Fiscal Year 2004, comprehensive planning functions were consolidated into Urban Planning and Design, including the transfer of 4 positions from the Transportation Department, 1 from Utility Services-Tucson Water Department, and 3 from various function within the City Managers Office.
- <sup>21</sup> In Fiscal Year 2005, staffing of two new fire stations adds 35 positions, an increase in inspection activity adds 4 new inspectors, and the supervision of computer systems adds 1 information technology manager to the Fire Department.
- <sup>22</sup> In Fiscal Year 2005, the Parks and Recreation Department added 36 positions: 21 positions for the new Adaptive Recreation Center, 5 positions for the Udall Center Senior Expansion, 6.5 maintenance workers for new or expanded facilities, and 3.5 positions for expanded programs.
- <sup>23</sup> In Fiscal Year 2005, the Tucson Police Department added 18 positions: 5 police officers and 13 civilian positions in support functions. An additional 2 police officers were added during Fiscal Year 2004.
- <sup>24</sup> In Fiscal Year 2005, the Development Services Department added 20 positions: 7 positions to improve existing programs, 7.5 positions for the Private Improvement Agreement program, and 5.5 positions for the Stormwater Retention Basin Management program.
- <sup>25</sup> In Fiscal Year 2005, the Utility Services-Environmental Services Department added 11 positions for residential growth, improved customer service, and environmental programs.
- <sup>26</sup> In Fiscal Year 2005, the Transportation Department added 11.5 positions for maintenance of streets and traffic control in temporary work zones, and 7 positions to expand the residential parking enforcement program.
- <sup>27</sup> In Fiscal Year 2005, to improve organizational efficiency, Real Estate was transferred from the Transportation Department to the General Services Department (14 positions), Telecommunications was transferred from General Services to the Information Technology Department (20 positions), and Auto Stores was transferred from the Procurement Department to the General Services Department (10 positions). The General Services Department added an additional 3 positions for fleet maintenance and grants.
- <sup>28</sup> In Fiscal Year 2005, the Utility Services-Tucson Water Department reflects a reduction of 13 positions due to improved efficiencies identified through the Maintenance Management Program.
- <sup>29</sup> In Fiscal Year 2006, the staffing of a ladder company and a medic company adds 21 positions, and an increase in inspection activity adds 4 new inspectors. The household hazardous waste program was transferred from Pima County, including 8 positions.
- <sup>30</sup> In Fiscal Year 2006, the Library Department added 26 positions: 10 positions for the new Quincie Douglas Library, 5 positions for the new Martha Cooper Library and Learning Center, and 11 positions to expand services.

**TEN-YEAR ADOPTED CITY STAFFING COMPARISON  
WITH FISCAL YEARS 2005 AND 2006  
NOTES ON SIGNIFICANT CHANGES**

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- <sup>31</sup> In Fiscal Year 2006 the Parks and Recreation Department adds 27.25 positions: 15.25 positions to staff and maintain the new Quincie Douglas Center Pool, 4.5 positions for the El Pueblo Center expansion, 4.5 positions for the Lincoln Park/William Clements Center expansion, and 3 positions for Hi Corbett Field maintenance.
- <sup>32</sup> In Fiscal Year 2006, the Tucson Police Department added 23 officers and 5 civilian positions to the Field Operations Bureau and 10 civilian positions to Investigative Services. One civilian position was deleted in the Grants Division and 6 positions were transferred to the Parks and Recreation Department. During the prior year 4 officers were added to the Field Operations Bureau and 3 civilian positions to Counter-Narcotics Alliance.
- <sup>33</sup> In Fiscal Year 2006, 6 positions were transferred from the Development Services Department to Transportation Department for the Private Improvement Agreement Program.
- <sup>34</sup> In Fiscal Year 2006, the Utility Services-Tucson Water Department reflects a planned reduction of 5 positions due to improved efficiencies identified through the Maintenance Management Program.
- <sup>35</sup> In Fiscal Year 2006, 2.5 positions were added and 2 positions were transferred from the Office of Economic Development.
- <sup>36</sup> In Fiscal Year 2006, 1 position was added to support legislative activities.

**FULL-TIME EQUIVALENT POSITIONS  
PERMANENT AND NON-PERMANENT  
FISCAL YEARS 2005 AND 2006**

	Adopted 2005			Recommended 2006		
	Permanent	Non-Permanent	Total	Permanent	Non-Permanent	Total
<b>ELECTED AND OFFICIAL</b>						
Mayor and Council	53.00	-0-	53.00	51.50	-0-	51.50
City Manager	19.00	-0-	19.00	19.00	-0-	19.00
City Clerk	34.50	2.50	37.00	35.00	23.00	58.00
City Attorney	106.00	-0-	106.00	106.00	-0-	106.00
Sub-Total	212.50	2.50	215.00	211.50	23.00	234.50
<b>NEIGHBORHOOD SERVICES</b>						
City Court	141.30	-0-	141.30	141.30	-0-	141.30
Community Services	153.00	-0-	153.00	145.50	7.00	152.50
Fire	612.00	-0-	612.00	645.00	-0-	645.00
Library	229.50	53.25	282.75	252.50	56.25	308.75
Neighborhood Resources	20.00	-0-	20.00	20.00	-0-	20.00
Office of Equal Opportunity Programs and Independent Police Review	9.00	-0-	9.00	9.00	-0-	9.00
Office of Public Defender	36.00	-0-	36.00	36.00	-0-	36.00
Parks and Recreation	399.50	270.25	669.75	407.00	290.00	697.00
Police	1,367.50	6.00	1,373.50	1,411.50	-0-	1,411.50
Tucson City Golf	44.00	110.75	154.75	44.00	110.75	154.75
Sub-Total	3,011.80	440.25	3,452.05	3,111.80	464.00	3,575.80
<b>ENVIRONMENT AND DEVELOPMENT</b>						
Development Services	132.00	1.00	133.00	126.00	1.00	127.00
Utility Services-Environmental Services	263.00	-0-	263.00	262.00	-0-	262.00
Transportation	396.00	2.00	398.00	403.00	2.00	405.00
Utility Services-Tucson Water	576.00	-0-	576.00	571.00	-0-	571.00
Urban Planning and Design	39.50	-0-	39.50	44.00	-0-	44.00
Zoning Examiner	2.00	-0-	2.00	2.00	-0-	2.00
Sub-Total	1,408.50	3.00	1,411.50	1,408.00	3.00	1,411.00

**FULL-TIME EQUIVALENT POSITIONS  
PERMANENT AND NON-PERMANENT  
FISCAL YEARS 2005 AND 2006**

	Adopted 2005			Recommended 2006		
	Permanent	Non-Permanent	Total	Permanent	Non-Permanent	Total
STRATEGIC INITIATIVES						
Intergovernmental Relations	2.00	-0-	2.00	3.00	-0-	3.00
Office of Economic Development	11.00	4.50	15.50	12.00	1.00	13.00
Tucson Convention Center	42.75	19.00	61.75	44.75	19.00	63.75
Tucson-Mexico Trade Office	6.00	8.00	14.00	6.00	8.00	14.00
Sub-Total	61.75	31.50	93.25	65.75	28.00	93.75
SUPPORT SERVICES						
Budget and Research	22.55	-0-	22.55	22.55	-0-	22.55
Finance	149.00	-0-	149.00	150.00	-0-	150.00
General Services	356.00	1.00	357.00	356.00	1.00	357.00
Human Resources	26.00	-0-	26.00	27.00	-0-	27.00
Information Technology	99.50	1.66	101.16	98.50	1.66	100.16
Procurement	65.00	-0-	65.00	64.00	-0-	64.00
Sub-Total	718.05	2.66	720.71	718.05	2.66	720.71
NON-DEPARTMENTAL						
General Expense	4.75	-0-	4.75	4.75	-0-	4.75
Sub-Total	4.75	-0-	4.75	4.75	-0-	4.75
Total	5,417.35	479.91	5,897.26	5,519.85	520.66	6,040.51

**FULL-TIME EQUIVALENT POSITIONS  
GENERAL RECURRING FUNDS AND OTHER FUNDS  
FISCAL YEARS 2005 AND 2006**

	Adopted 2005			Recommended 2006		
	General Purpose	Other	Total	General Purpose	Other	Total
<b>ELECTED AND OFFICIAL</b>						
Mayor and Council	53.00	-0-	53.00	51.50	-0-	51.50
City Manager	19.00	-0-	19.00	19.00	-0-	19.00
City Clerk	37.00	-0-	37.00	58.00	-0-	58.00
City Attorney	95.00	11.00	106.00	95.00	11.00	106.00
Sub-Total	204.00	11.00	215.00	223.50	11.00	234.50
<b>NEIGHBORHOOD SERVICES</b>						
City Court	137.80	3.50	141.30	137.80	3.50	141.30
Community Services	9.18	143.82	153.00	9.18	143.32	152.50
Fire	610.00	2.00	612.00	635.00	10.00	645.00
Library	141.38	141.37	282.75	154.38	154.37	308.75
Neighborhood Resources	20.00	-0-	20.00	20.00	-0-	20.00
Office of Equal Opportunity Programs and Independent Police Review	9.00	-0-	9.00	9.00	-0-	9.00
Office of Public Defender	36.00	-0-	36.00	36.00	-0-	36.00
Parks and Recreation	628.50	41.25	669.75	655.75	41.25	697.00
Police	1,337.50	36.00	1,373.50	1,383.50	28.00	1,411.50
Tucson City Golf	-0-	154.75	154.75	-0-	154.75	154.75
Sub-Total	2,929.36	522.69	3,452.05	3,040.61	535.19	3,575.80
<b>ENVIRONMENT AND DEVELOPMENT</b>						
Development Services	133.00	-0-	133.00	127.00	-0-	127.00
Utility Services-Environmental Services	-0-	263.00	263.00	-0-	262.00	262.00
Transportation	25.50	372.50	398.00	31.50	373.50	405.00
Utility Services-Tucson Water	-0-	576.00	576.00	-0-	571.00	571.00
Urban Planning and Design	38.50	1.00	39.50	43.00	1.00	44.00
Zoning Examiner	2.00	-0-	2.00	2.00	-0-	2.00
Sub-Total	199.00	1,212.50	1,411.50	203.50	1,207.50	1,411.00

**FULL-TIME EQUIVALENT POSITIONS  
GENERAL RECURRING FUNDS AND OTHER FUNDS  
FISCAL YEARS 2005 AND 2006**

	Adopted 2005			Recommended 2006		
	General Purpose	Other	Total	General Purpose	Other	Total
STRATEGIC INITIATIVES						
Intergovernmental Relations	2.00	-0-	2.00	2.00	1.00	3.00
Office of Economic Development	14.50	1.00	15.50	12.00	1.00	13.00
Tucson Convention Center	61.75	-0-	61.75	63.75	-0-	63.75
Tucson-Mexico Trade Office	6.00	8.00	14.00	6.00	8.00	14.00
Sub-Total	84.25	9.00	93.25	83.75	10.00	93.75
SUPPORT SERVICES						
Budget and Research	22.55	-0-	22.55	22.55	-0-	22.55
Finance	138.00	11.00	149.00	139.00	11.00	150.00
General Services	248.00	109.00	357.00	249.00	108.00	357.00
Human Resources	26.00	-0-	26.00	27.00	-0-	27.00
Information Technology	101.16	-0-	101.16	100.16	-0-	100.16
Procurement	65.00	-0-	65.00	64.00	-0-	64.00
Sub-Total	600.71	120.00	720.71	601.71	119.00	720.71
NON-DEPARTMENTAL						
General Expense	-0-	4.75	4.75	-0-	4.75	4.75
Sub-Total	-0-	4.75	4.75	-0-	4.75	4.75
Total	4,017.32	1,879.94	5,897.26	4,153.07	1,887.44	6,040.51

**Fiscal Year 2006  
City of Tucson  
Annual Salary Scale**

**Exempt Schedule**

Grade	Minimum	Midpoint	Maximum
822	93,517	125,320	157,102
821	82,826	110,968	139,131
820	73,674	98,738	123,781
819	65,874	88,254	110,656
818	59,155	79,269	99,382
817	53,394	71,552	89,690
816	48,422	64,875	81,328
815	44,117	59,114	74,110
814	40,394	54,122	67,850
813	37,170	49,795	62,442
812	34,362	46,051	57,720
811	31,928	42,786	53,643
810	29,806	39,957	50,086

**Police  
Exempt Schedule**

Grade	Minimum	Midpoint	Maximum
323	120,744	139,048	157,352
322	80,122	97,614	115,086
321	72,634	86,632	100,610
320	72,176	79,102	86,029



**Fiscal Year 2006  
City of Tucson  
Annual Salary Scale**

**Fire  
Exempt Schedule**

Grade	Minimum	Midpoint	Maximum
423	120,744	139,048	157,352
422	80,621	98,218	115,794
421	73,091	87,173	101,234
420	73,736	80,142	86,549

**Legal  
Exempt Schedule**

Grade	Minimum	Midpoint	Maximum
619	81,141	107,515	133,890
618	72,446	95,992	119,538
617	64,834	85,904	106,974
616	58,157	77,043	95,930
615	52,270	69,243	86,237
614	47,091	62,400	77,688
613	42,515	56,326	70,158
612	38,480	50,981	63,482
611	34,902	46,238	57,574
610	31,741	42,037	52,354

**Fiscal Year 2006  
City of Tucson  
Annual Salary Scale**

**Information Technology  
Exempt Schedule**

Grade	Minimum	Midpoint	Maximum
719	79,123	104,832	130,541
718	69,867	92,560	115,274
717	61,693	81,744	101,795
716	54,475	72,176	89,877
715	48,651	64,438	80,246
714	43,930	58,198	72,467
713	40,102	53,144	66,186
712	37,066	49,088	61,131

**Golf and Ranch  
Exempt Schedule**

Grade	Minimum	Midpoint	Maximum
515	44,117	59,114	74,110
514	40,394	54,122	67,850
505	26,666	34,070	41,454
503	23,026	29,411	35,797
502	21,611	27,602	33,613
501	20,446	26,104	31,782

Range 501 and 502 receive 50% earnings from golf lesson revenue.

Range 503 and 505 receive \$300 in-kind pay per year.

Range 514 receive 100% earnings from golf lesson revenue up to \$12,000 per year.

Range 515 receive 100% earnings from golf lesson revenue up to \$5,000 per year.

**Fiscal Year 2006  
City of Tucson  
Annual Salary Scale**

**Non-Exempt Schedule**

Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11	Step 12	Step 13	Step 14
910	19,469	20,446	21,446	22,526	23,670	24,835	25,459	26,104	26,749	27,414	28,101	28,808	29,536	30,264
911	20,446	21,466	22,526	23,670	24,835	26,083	26,728	27,414	28,080	28,787	29,515	30,243	31,013	31,782
912	21,611	22,693	23,837	25,022	26,270	27,581	28,267	28,974	29,702	30,451	31,200	31,990	32,781	33,613
913	23,026	24,170	25,376	26,645	27,976	29,370	30,118	30,867	31,637	32,427	33,238	34,070	34,923	35,797
914	24,690	25,917	27,227	28,579	30,014	31,512	32,302	33,114	33,925	34,778	35,651	36,546	37,461	38,397
915	26,666	27,997	29,390	30,867	32,406	34,029	34,882	35,755	36,650	37,565	38,501	39,458	40,456	41,454
916	28,995	30,451	31,970	33,571	35,256	37,003	37,939	38,875	39,853	40,851	41,870	42,910	43,992	45,094
917	31,762	33,342	35,006	36,754	38,605	40,518	41,538	42,578	43,638	44,741	45,843	46,987	48,173	49,379
918	35,006	36,754	38,605	40,518	42,557	44,678	45,802	46,946	48,110	49,317	50,544	51,813	53,102	54,434
919	38,854	40,810	42,848	44,990	47,237	49,608	50,835	52,104	53,414	54,746	56,118	57,512	58,947	60,424
920	43,430	45,594	47,882	50,274	52,790	55,432	56,805	58,240	59,696	61,173	62,712	64,272	65,894	67,538

**Fiscal Year 2006  
City of Tucson  
Annual Salary Scale**

**Police  
Non-Exempt Schedule**

Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
351	32,906	34,549	36,275	38,085	39,978	41,995	44,075	46,280
302	38,272	40,186	42,203	44,304	46,530	48,859	51,293	53,851
303	40,186	42,203	44,304	46,530	48,859	51,293	53,851	56,555
304	42,203	44,304	46,530	48,859	51,293	53,851	56,555	59,384
305	44,304	46,530	48,859	51,293	53,851	56,555	59,384	62,338
306					56,555	59,384	62,338	65,458
307					59,384	62,338	65,458	68,723

**Fire  
Non-Exempt Schedule**

Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10
401	35,788	37,536	39,458	41,438	43,505	44,583	45,660	46,825	47,932	49,155
403	37,914	39,691	41,612	43,564	45,631	46,738	47,815	48,951	50,086	51,309
404						49,155	50,348	51,601	52,853	54,163
405						51,309	52,503	53,726	55,008	56,318
406						56,900	58,298	59,725	61,181	62,695
407						59,055	60,424	61,880	63,336	64,850
408						63,710	65,291	66,893	68,536	70,221

**Fiscal Year 2006  
City of Tucson  
Classified Annual Salary Scale**

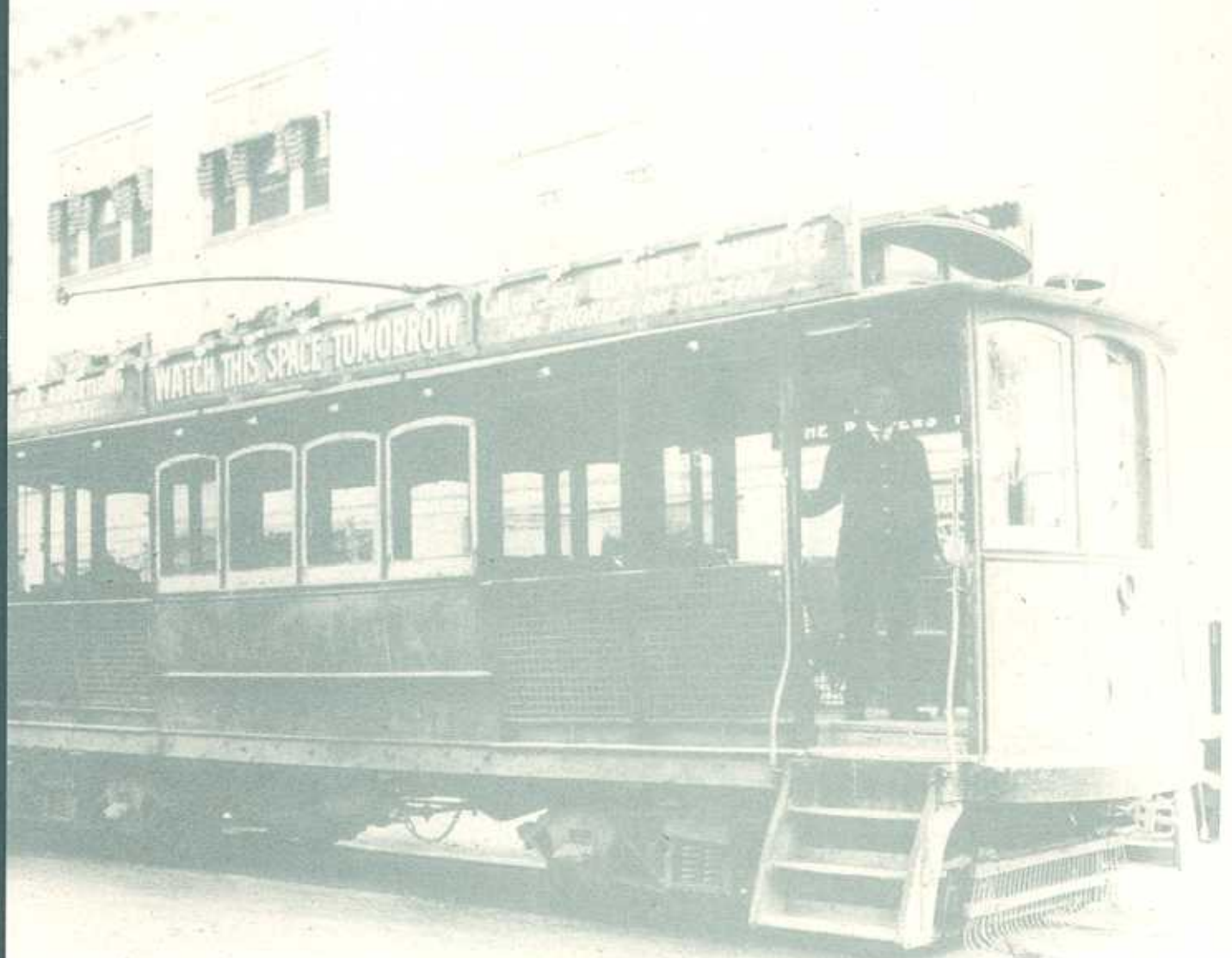
**Hourly (Seasonal or Intermittent) Schedule  
Non-Exempt**

Grade	Class Title	Hourly Rate		
1029	Camera Operator	\$ 11.65	-	\$ 17.49
1001	City Youth Worker	6.00		
1003	Concession Worker	5.86	-	7.24
1033	Convention Center Stage Technician	12.93		
1041	Convention Center Stagehand Supervisor	15.74		
1043	Election Specialist	16.58	-	22.78
1022	Election Technician	10.35	-	14.21
1015	General Maintenance Trainee/Worker	8.52	-	9.86
1021	Golf Host	10.09		
1035	Library Program Instructor	13.55	-	18.16
1013	Lifeguard	8.29		
1025	Aquatics Program Supervisor	10.78		
1004	Center Attendant	6.36		
1008	Class Instructor	7.62	-	17.62
1023	Program Coordinator	10.12		
1006	Recreation Worker	7.18		
1011	Senior Recreation Worker	8.00		
1019	Swimming Pool Supervisor	9.42		
1027	Senior Election Technician	11.37	-	15.61
1010	Short Order Cook	7.89	-	10.20
1017	Water Safety Instructor/Senior Lifeguard	8.75		



# SECTION F

## CAPITAL BUDGET SUMMARY



## CAPITAL BUDGET SUMMARY

Capital improvement projects are assigned to city departments to ensure proper project management. The following two tables summarize the \$209.3 million Fiscal Year 2006 capital budget by service area and by funding type. For a breakout by individual departments and funding sources, see Tables I and II on pages F-4 and F-5.

Fiscal Year 2006 Capital Budget Summary of Expenditures (\$000s)			
	Carryforward	New Funding	Total
Neighborhood Services	\$ 13,672.0	\$ 13,968.5	\$ 27,640.5
Environment and Development	44,594.1	120,488.7	165,082.8
Strategic Initiatives	928.0	-0-	928.0
Support Services	7,975.0	3,197.3	11,172.3
Non-Departmental	3,435.0	1,002.0	4,437.0
<b>Total</b>	<b>\$ 70,604.1</b>	<b>\$ 138,656.5</b>	<b>\$ 209,260.6</b>

Fiscal Year 2006 Capital Budget Summary of Funding Sources (\$000s)			
	Carryforward	New Funding	Total
General Purpose Funds	\$ 4,143.6	\$ 1,010.6	\$ 5,154.2
Grants and Contributions	26,456.2	56,638.6	83,094.8
City Bond Funds	21,599.8	6,137.1	27,736.9
Enterprise Funds	6,806.1	62,999.9	69,806.0
Other Local Funds	11,538.4	8,420.3	19,958.7
Non-City Funds	60.0	3,450.0	3,510.0
<b>Total</b>	<b>\$ 70,604.1</b>	<b>\$ 138,656.5</b>	<b>\$ 209,260.6</b>

### Changes from the Mayor and Council Approved Five-Year Capital Improvement Program

On March 8, 2005, the Mayor and Council approved the Five-Year Capital Improvement Program for Fiscal Years 2006 through 2010. The total approved for Fiscal Year 2006 at that time was \$222,101,700. Subsequently, the following changes to the Fiscal Year 2006 capital budget were made, bringing the total to \$209,260,600:

Department	Change (\$000s)	Reason
Fire	\$ 150.0	Correction to funding for the Support Maintenance Facility
Parks and Recreation	(12,481.0)	Rescheduling of Pima County bond projects to match 2005 county bond sale; no reductions in total project costs
Tucson City Golf	50.0	Revised funding source and amount for Silverbell project
Environmental Services	(546.2)	Revised 1994 bond funds to reflect expenditure of funds in FY 2005
Transportation	(13.9)	Revised 1994 bond funds to reflect expenditure of funds in FY 2005
	<u>\$ (12,841.1)</u>	



## DEPARTMENT PROGRAMS

The following section summarizes the recommended Fiscal Year 2006 department programs within each service area. Project listings for each department begin on page F-8.

### Neighborhood Services

Projects in the Neighborhood Services category include those managed by Fire, Library, Neighborhood Resources, Parks and Recreation, Police, and Tucson City Golf.

**Fire.** Fire's \$3.6 million budget for Fiscal Year 2006 includes the following projects: construction of Station 22 (estimated completion date of June 2007), improvements to support facilities, and purchase of upgraded mobile data terminals for fire vehicles.

**Library.** Two projects will be completed with Library's \$0.4 million budget in Fiscal Year 2006: Main Library Plaza Improvements and the Martha Cooper Midtown Library and Learning Center.

**Neighborhood Resources.** Back to Basics projects continue with \$8.2 million in Fiscal Year 2006: \$5.2 million in carryforward to complete previous year projects and \$3 million in new funding.

**Parks and Recreation.** Park's capital budget of \$10.2 million in Fiscal Year 2006 provides for 25 park improvement projects, ranging from the construction of new facilities to the replacement of playground equipment. The four largest projects to be completed in Fiscal Year 2006 are the Lincoln Park/William Clements Center Expansion, Quincie Douglas Center Pool Facility, Reid Park Renovation, and El Pueblo Center Expansion.

**Police.** Two projects, totaling \$3.7 million, are being completed in Fiscal Year 2006: Land acquisition and facilities improvements, and construction of a new police substation. After Fiscal Year 2006, Police will have no funding for capital projects.

**Tucson City Golf.** Two projects will be completed with the \$1.6 million in Golf's capital budget: renovations at the Silverbell Golf Course and at the Trini Alvarez Golf Course.

### Environment and Development

The Environment and Development category contains projects managed by the following departments: Development Services, Transportation, Utility Services-Environmental Services, and Utility Services-Tucson Water.

**Development Services.** The \$0.5 million in the Development Services Fiscal Year 2006 capital budget is to begin work on upgrading the department's computerized permitting system. The project will be completed in Fiscal Year 2007.

**Transportation.** This department's capital budget for Fiscal Year 2006 totals \$96.4 million in six program areas: Streets, Drainage, Street Lighting, Traffic Signals, Parking, and Public Transit. The three largest program areas are Streets at \$46 million, Public Transit at \$27.4 million, and Drainage at \$16.7 million. The remaining three areas total \$6.2 million: Street Lighting at \$2 million, Traffic Signals at \$4 million, and Parking at \$0.2 million.

**Utility Services-Environmental Services.** Twenty-nine projects totaling \$8.7 million are included in the Environmental Services capital budget for Fiscal Year 2006. Investigation and remediation projects total \$3.1 million in Fiscal Year 2006 and landfill improvement projects total \$5.6 million. Environmental Services will be out of capital funds by the end of Fiscal Year 2007.

**Utility Services-Tucson Water.** Tucson Water's capital budget for Fiscal Year 2006 totals \$59.4 million: \$46.7 million for the Potable Water System and \$12.7 million for the Reclaimed Water System. Tucson Water's CIP as recommended depends on approval of the May 2005 water revenue bond election. Sixty-two percent, or \$36.7 million, of the total for Fiscal Year 2006 would be funded from that authorization, if approved by the voters. If the authorization is not approved, Tucson Water will have to revise its capital program.

## Strategic Initiatives

The Strategic Initiatives category contains projects managed by the Tucson Convention Center.

***Tucson Convention Center.*** There is only one project in the Tucson Convention Center's Fiscal Year 2006 capital budget of \$0.9 million: replacement of the facility's fire alarm system.

## Support Services

The Support Services category contains projects managed by the Information Technology Department.

***Information Technology.*** There is only one project in Information Technology's Fiscal Year 2006 capital budget of \$11.2 million: the Emergency Communications System, Phase I. This project would complement Pima County's communication project.

## Non-Departmental

The Non-Departmental category contains projects budgeted as General Expense, because the projects are not associated with a specific department.

***General Expense.*** The Fiscal Year 2006 budget of \$4.4 million provides for three projects: completion of the Hardesty/Midtown Multi-Service Facility, construction of the Pennington Street Garage, and purchase of new web-based financial and human resources systems.

## TABLES

- Table I** Capital Budget Summary by Department
- Table II** Capital Budget Summary by Funding Source
- Table III** Capital Budget Summary of Operating Budget Impacts

**TABLE I**  
**CAPITAL BUDGET**  
**SUMMARY BY DEPARTMENT**

Service Area/Department	Recommended Fiscal Year 2006		
	Carry Forward	New Funding	Total
<b>Neighborhood Services</b>			
Fire	\$ 1,603,900	\$ 1,997,500	\$ 3,601,400
Library	439,000	-0-	439,000
Neighborhood Resources	5,200,000	2,975,000	8,175,000
Parks and Recreation	6,217,400	3,937,000	10,154,400
Police	211,700	3,444,000	3,655,700
Tucson City Golf	-0-	1,615,000	1,615,000
Sub-Total	13,672,000	13,968,500	27,640,500
<b>Environment and Development</b>			
Development Services	-0-	500,000	500,000
Transportation	37,788,000	58,603,800	96,391,800
Utility Services-Environmental Services	4,309,100	4,434,900	8,744,000
Utility Services-Tucson Water	2,497,000	56,950,000	59,447,000
Sub-Total	44,594,100	120,488,700	165,082,800
<b>Strategic Initiatives</b>			
Tucson Convention Center	928,000	-0-	928,000
Sub-Total	928,000	-0-	928,000
<b>Support Services</b>			
Information Technology	7,975,000	3,197,300	11,172,300
Sub-Total	7,975,000	3,197,300	11,172,300
<b>Non-Departmental</b>			
General Expense	3,435,000	1,002,000	4,437,000
Sub-Total	3,435,000	1,002,000	4,437,000
<b>Total</b>	<b>\$ 70,604,100</b>	<b>\$ 138,656,500</b>	<b>\$ 209,260,600</b>

**TABLE II**  
**CAPITAL BUDGET**  
**SUMMARY BY FUNDING SOURCE**

Fund Category/Fund	Recommended Fiscal Year 2006		
	Carry Forward	New Funding	Total
<b>General Purpose Funds</b>			
General Fund	\$ 1,744,000	\$ -0-	\$ 1,744,000
Mass Transit Fund: General Fund Transfer	2,399,600	1,010,600	3,410,200
Sub- Total	4,143,600	1,010,600	5,154,200
<b>Grants and Contributions</b>			
Capital Agreement Fund	1,306,000	-0-	1,306,000
Capital Agreement Fund: PAG	620,000	11,658,200	12,278,200
Capital Agreement Fund: Pima County Bonds	235,000	3,757,000	3,992,000
Capital Agreement Fund: Pima County Contribution	-0-	2,200,000	2,200,000
Community Development Block Grant Fund	2,200,000	1,275,000	3,475,000
Federal Highway Administration Grants	-0-	19,492,600	19,492,600
H.E.L.P. Loan	4,600,000	-0-	4,600,000
Highway User Revenue Fund	4,142,800	5,302,000	9,444,800
Highway User Revenue Fund: Contributions	500,000	1,225,000	1,725,000
Highway User Revenue Fund: In-Lieu Fees	-0-	600,000	600,000
Mass Transit Fund: Federal Grants	12,160,100	11,128,800	23,288,900
Miscellaneous Non-Federal Grants	692,300	-0-	692,300
Sub- Total	26,456,200	56,638,600	83,094,800
<b>City Bond Funds</b>			
1994 General Obligation Bond Funds	530,600	-0-	530,600
1994 General Obligation Bond Funds - Interest	419,000	80,000	499,000
2000 General Obligation Bond Funds	16,230,000	5,522,100	21,752,100
2000 General Obligation Bond Funds - Interest	2,228,000	-0-	2,228,000
2000 Street and Highway Revenue Bond Funds	2,192,200	535,000	2,727,200
Sub- Total	21,599,800	6,137,100	27,736,900
<b>Enterprise Funds</b>			
2000 Environmental Service Bonds	4,309,100	3,684,900	7,994,000
2000 Water Revenue Bond Funds	2,497,000	-0-	2,497,000
Central Arizona Project Reserve Fund	-0-	11,000	11,000
Environmental Services Fund: Reimbursement	-0-	750,000	750,000
Future Water Revenue Bonds	-0-	36,706,000	36,706,000
Golf Course Fund	-0-	45,000	45,000
Golf Course Fund: Certificates of Participation	-0-	1,570,000	1,570,000
Tucson Water Revenue and Operations Fund	-0-	19,983,000	19,983,000
Water Revenue and Operations Fund: Grants	-0-	250,000	250,000
Sub- Total	6,806,100	62,999,900	69,806,000

**TABLE II**  
**CAPITAL BUDGET**  
**SUMMARY BY FUNDING SOURCE**

Fund Category/Fund	Recommended Fiscal Year 2006		
	Carry Forward	New Funding	Total
<b>Other Local Funds</b>			
General Fund: Certificates of Participation	\$ 8,936,000	\$ 6,791,300	\$ 15,727,300
General Fund: Restricted	-0-	500,000	500,000
TEAM: Certificates of Participation	2,500,000	1,002,000	3,502,000
TEAM: Fees and Charges	102,400	127,000	229,400
Sub- Total	11,538,400	8,420,300	19,958,700
<b>Non-City Funds</b>			
Civic Contributions Fund	-0-	3,100,000	3,100,000
Special Assessments Construction Fund	60,000	350,000	410,000
Sub- Total	60,000	3,450,000	3,510,000
<b>Total</b>	<b>\$ 70,604,100</b>	<b>\$ 138,656,500</b>	<b>\$ 209,260,600</b>

**TABLE III  
CAPITAL BUDGET  
SUMMARY OF OPERATING BUDGET IMPACTS**

<b>Service Area/Department</b>	<b>FY 2006</b>	<b>Projected FY 2007</b>
<b>Neighborhood Services</b>		
Fire	\$ 129,800	\$ 1,092,740
Library	274,920	291,420
Parks and Recreation	945,200	1,641,850
Police	60,000	120,000
Sub-Total	1,409,920	3,146,010
<b>Environment and Development</b>		
Development Services	-0-	-0-
Transportation	1,162,700	1,437,400
Utility Services-Environmental Services	1,223,000	1,856,000
Utility Services-Tucson Water	187,000	187,000
Sub-Total	2,572,700	3,480,400
<b>Non-Departmental</b>		
General Expense	476,100	490,400
Sub-Total	476,100	490,400
<b>Total</b>	<b>\$ 4,458,720</b>	<b>\$ 7,116,810</b>
<b>Source of Funds Summary</b>		
<b>General Purpose Funds</b>		
General Fund	\$ 1,496,500	\$ 3,226,990
Mass Transit Fund: General Fund Transfer	1,145,000	1,183,100
Sub-Total	2,641,500	4,410,090
Highway User Revenue Fund	17,700	254,300
Library Fund: Pima County Contribution	274,920	291,420
Sub-Total	292,615	545,718
<b>Enterprise Funds</b>		
Environmental Services Fund	1,223,000	1,856,000
Tucson Water Revenue and Operations Fund	187,000	187,000
Sub-Total	1,410,000	2,043,000
<b>Other Local Funds</b>		
TEAM: Fees and Charges	114,600	118,000
Sub-Total	114,600	118,000
<b>Total</b>	<b>\$ 4,458,720</b>	<b>\$ 7,116,810</b>

## Five-Year Capital Improvement Program

### Fire

	Recommended Fiscal Year 2006		
	Carry Forward	New Funding	Total
<b>Program Area/Project Name</b>			
Fire Station 22	\$ -0-	\$ 1,847,500	\$ 1,847,500
Mobile Data Terminal Upgrades	770,000	-0-	770,000
Support Facility Improvements	833,900	150,000	983,900
Department Total	<u>\$ 1,603,900</u>	<u>\$ 1,997,500</u>	<u>\$ 3,601,400</u>
<b>Source of Funds Summary</b>			
1994 General Obligation Bond Funds	\$ 530,600	-0-	\$ 530,600
2000 General Obligation Bond Funds	303,300	1,847,500	2,150,800
General Fund: Certificates of Participation	770,000	150,000	920,000
Department Total	<u>\$ 1,603,900</u>	<u>\$ 1,997,500</u>	<u>\$ 3,601,400</u>

# Five-Year Capital Improvement Program

## Library

Program Area/Project Name	Recommended Fiscal Year 2006		
	Carry Forward	New Funding	Total
Main Library Plaza Improvements	\$ 239,000	\$ -0-	\$ 239,000
Martha Cooper Midtown Library & Learning Center	200,000	-0-	200,000
Department Total	<u>\$ 439,000</u>	<u>\$ -0-</u>	<u>\$ 439,000</u>
<b>Source of Funds Summary</b>			
1994 General Obligation Bond Funds - Interest	\$ 239,000	\$ -0-	\$ 239,000
2000 General Obligation Bond Funds	200,000	-0-	200,000
Department Total	<u>\$ 439,000</u>	<u>\$ -0-</u>	<u>\$ 439,000</u>



# Five-Year Capital Improvement Program

## Neighborhood Services

Program Area/Project Name	Recommended Fiscal Year 2006		
	Carry Forward	New Funding	Total
Back to Basics Unallocated	\$ 5,200,000	\$ 2,975,000	\$ 8,175,000
Department Total	\$ 5,200,000	\$ 2,975,000	\$ 8,175,000
<b>Source of Funds Summary</b>			
Community Development Block Grant Fund	\$ 2,200,000	\$ 1,275,000	\$ 3,475,000
General Fund	1,000,000	-0-	1,000,000
Highway User Revenue Fund	2,000,000	1,700,000	3,700,000
Department Total	\$ 5,200,000	\$ 2,975,000	\$ 8,175,000

# Five-Year Capital Improvement Program

## Parks and Recreation

Program Area/Project Name	Recommended Fiscal Year 2006		
	Carry Forward	New Funding	Total
<u>Parks and Recreation - Parks Development</u>			
Atturbury Wash Sanctuary Expansion	\$ -0-	\$ 150,000	\$ 150,000
Case Natural Resource Park Improvements	240,000	-0-	240,000
Catalina High School Track and Field Lighting	100,000	-0-	100,000
Christopher Columbus Park	50,000	-0-	50,000
Eastside Senior Center Recreation Facility	151,500	-0-	151,500
El Pueblo Center Expansion	879,100	-0-	879,100
General Instruments Site Improvements	200,000	-0-	200,000
Golf Links Sports Center Parking Improvements	15,000	-0-	15,000
Greenway and Natural Resource Area Acquisition	495,200	-0-	495,200
Himmel Park Irrigation Replacement	50,000	-0-	50,000
Houghton Greenway	-0-	405,000	405,000
Lighting System Improvements, Phase I	180,000	80,000	260,000
Lincoln Park/William Clements Center Expansion	300,000	-0-	300,000
Miscellaneous Parks Development/Renovations	281,600	-0-	281,600
New Comfort Stations	340,000	-0-	340,000
Pascua Neighborhood Center Improvements	60,000	-0-	60,000
Performing Arts Center	-0-	52,000	52,000
Playground Equipment Replacement	140,000	-0-	140,000
Quincie Douglas Center Pool Facility	1,123,000	-0-	1,123,000
Reid Park Renovation	1,000,000	-0-	1,000,000
Reuse of Landfill Areas	207,000	-0-	207,000
Rio Vista Park Expansion	-0-	150,000	150,000
Riverview Park	125,000	-0-	125,000
Rodeo Grounds Improvements	280,000	-0-	280,000
Sub-Total	6,217,400	837,000	7,054,400
<u>Parks and Recreation - Zoo Improvements</u>			
Reid Park Zoo School	-0-	3,100,000	3,100,000
Sub-Total	-0-	3,100,000	3,100,000
Department Total	\$ 6,217,400	\$ 3,937,000	\$ 10,154,400
<u>Source of Funds Summary</u>			
1994 General Obligation Bond Funds - Interest	\$ 180,000	\$ 80,000	\$ 260,000
2000 General Obligation Bond Funds	4,551,400	-0-	4,551,400
Capital Agreement Fund	1,123,000	-0-	1,123,000
Capital Agreement Fund: Pima County Bonds	235,000	757,000	992,000
Civic Contributions Fund	-0-	3,100,000	3,100,000
Miscellaneous Non-Federal Grants	128,000	-0-	128,000
Department Total	\$ 6,217,400	\$ 3,937,000	\$ 10,154,400

# Five-Year Capital Improvement Program

## Police

	Recommended Fiscal Year 2006		
	Carry Forward	New Funding	Total
<b>Program Area/Project Name</b>			
Land Acquisition and Facilities Improvement	\$ 211,700	\$ -0-	\$ 211,700
Police Substation	-0-	3,444,000	3,444,000
Department Total	<u>\$ 211,700</u>	<u>\$ 3,444,000</u>	<u>\$ 3,655,700</u>
<b>Source of Funds Summary</b>			
2000 General Obligation Bond Funds	\$ 211,700	\$ -0-	\$ 211,700
General Fund: Certificates of Participation	-0-	3,444,000	3,444,000
Department Total	<u>\$ 211,700</u>	<u>\$ 3,444,000</u>	<u>\$ 3,655,700</u>

# Five-Year Capital Improvement Program

## Tucson City Golf

	Recommended Fiscal Year 2006		
	Carry Forward	New Funding	Total
<b>Program Area/Project Name</b>			
Silverbell Golf Course Improvements	\$ -0-	\$ 1,570,000	\$ 1,570,000
Trini Alvarez-El Rio First Tee Renovations	-0-	45,000	45,000
Department Total	<u>\$ -0-</u>	<u>\$ 1,615,000</u>	<u>\$ 1,615,000</u>
<b>Source of Funds Summary</b>			
Golf Course Fund	\$ -0-	\$ 45,000	\$ 45,000
Golf Course Fund: Certificates of Participation	-0-	1,570,000	1,570,000
Department Total	<u>\$ -0-</u>	<u>\$ 1,615,000</u>	<u>\$ 1,615,000</u>

# Five-Year Capital Improvement Program

## Development Services

	Recommended Fiscal Year 2006		
	Carry Forward	New Funding	Total
<b>Program Area/Project Name</b>			
Computerized Permitting System Upgrade	\$ -0-	\$ 500,000	\$ 500,000
Department Total	\$ -0-	\$ 500,000	\$ 500,000
<b>Source of Funds Summary</b>			
General Fund: Restricted	\$ -0-	\$ 500,000	\$ 500,000
Department Total	\$ -0-	\$ 500,000	\$ 500,000

# Five-Year Capital Improvement Program

## Transportation

Program Area/Project Name	Recommended Fiscal Year 2006		
	Carry Forward	New Funding	Total
<u>Transportation - Streets</u>			
6th Avenue/18th Street Intersection Improvements	\$ 70,000	\$ 1,500,000	\$ 1,570,000
Alternate Modes Improvements	-0-	951,000	951,000
Anklam Road Traffic Safety Improvements	-0-	450,000	450,000
Barraza-Aviation Parkway: 4th Avenue Underpass	-0-	10,488,200	10,488,200
Barraza-Aviation: Downtown, Phase III	-0-	500,000	500,000
Broadway Boulevard Right-Turn and Transit Lane	500,000	500,000	1,000,000
Broadway Boulevard: Euclid to Campbell	-0-	1,500,000	1,500,000
Bus-Related Roadway Improvements	-0-	325,000	325,000
Downtown Pedestrian Implementation	-0-	200,000	200,000
Grant and Craycroft Intersection Improvements	1,300,000	-0-	1,300,000
Harrison Road: Speedway to Old Spanish Trail	4,600,000	8,293,000	12,893,000
Highland Avenue Bike and Pedestrian Improvements	157,000	940,000	1,097,000
Kino Parkway Overpass at 22nd Street	-0-	1,500,000	1,500,000
Miscellaneous Developer-Funded Improvements	-0-	1,200,000	1,200,000
Miscellaneous Street Improvements	-0-	1,050,000	1,050,000
Mountain Avenue: Roger Road to Ft. Lowell Road	1,500,000	-0-	1,500,000
Old Pueblo Track Extension	-0-	25,000	25,000
Park and Euclid Bicycle and Pedestrian Bridge	-0-	1,295,000	1,295,000
Pedestrian Improvements	354,800	-0-	354,800
Road Resurfacing, Restoration, & Rehabilitation	-0-	3,046,000	3,046,000
South 10th Avenue Revitalization	-0-	479,000	479,000
South 4th Avenue Streetscape Enhancement	93,300	343,000	436,300
Stone Ave: Speedway/Drachman Improvements	520,000	-0-	520,000
Stone Avenue: 6th Street to Speedway	240,000	1,367,000	1,607,000
Stone Avenue: Pedestrian Safety Improvements	12,500	215,600	228,100
Tyndall Avenue Enhancements	-0-	529,000	529,000
Sub-Total	9,347,600	36,696,800	46,044,400
<u>Transportation - Drainage</u>			
Alamo Wash Drainage Improvements	100,000	1,600,000	1,700,000
Arroyo Chico Drainage Improvements	5,299,300	200,000	5,499,300
Columbus Wash Drainage Relief, Phase II	2,500,000	3,574,600	6,074,600
Jefferson Park Drainage Improvements	830,000	-0-	830,000
Park Avenue Detention Basin	832,300	500,000	1,332,300
Silverbell Drainage Improvements	1,300,000	-0-	1,300,000
Sub-Total	10,861,600	5,874,600	16,736,200

# Five-Year Capital Improvement Program

## Transportation

Program Area/Project Name	Recommended Fiscal Year 2006		
	Carry Forward	New Funding	Total
<u>Transportation - Street Lighting</u>			
1st Avenue: Prince Road to River Road	\$ 747,900	-0-	\$ 747,900
Electrical Systems Upgrades	-0-	150,000	150,000
Neighborhood District Lighting Improvements	-0-	350,000	350,000
Park Avenue Lighting: Valencia to Irvington	714,100	-0-	714,100
Sub-Total	1,462,000	500,000	1,962,000
<u>Transportation - Traffic Signals</u>			
Communication System Improvements	-0-	1,117,000	1,117,000
Intelligent Transportation System: ER Link	-0-	1,219,000	1,219,000
Living Transportation Laboratory	-0-	133,000	133,000
Machine Vision Video Detection System Upgrades	354,400	-0-	354,400
School Flasher Construction	366,000	-0-	366,000
Tanque Verde/Paseo Rancho Esperanza Signal	-0-	250,000	250,000
Traffic Signal and Control Equipment	-0-	337,000	337,000
Traffic Signal Conversions	-0-	210,000	210,000
Sub-Total	720,400	3,266,000	3,986,400
<u>Transportation - Parking Garages</u>			
City/State Parking Garage Improvements	13,300	93,900	107,200
Main Library Parking Garage Improvements	89,100	33,100	122,200
Sub-Total	102,400	127,000	229,400
<u>Transportation - Public Transit</u>			
ADA Transit Enhancements	-0-	491,500	491,500
Automated Vehicle Location Kiosks	100,000	-0-	100,000
Contingency Local Match for Future Grants	-0-	244,000	244,000
Expansion Vans for Van Tran	805,800	-0-	805,800
Replacement Buses for Sun Tran	9,321,100	4,412,700	13,733,800
Replacement Vans for Van Tran	3,592,600	1,814,900	5,407,500
Ronstadt Transit Center	-0-	2,912,600	2,912,600
Sun Tran Maintenance Facility, Phase II	400,000	-0-	400,000
Transit Alternatives Analysis	410,000	505,700	915,700
Transit Enhancement Program	-0-	112,400	112,400
Transit Headquarters Improvements	664,500	1,645,600	2,310,100
Sub-Total	15,294,000	12,139,400	27,433,400
Department Total	\$ 37,788,000	\$ 58,603,800	\$ 96,391,800

# Five-Year Capital Improvement Program

## Transportation

Program Area/Project Name	Recommended Fiscal Year 2006		
	Carry Forward	New Funding	Total
<b>Source of Funds Summary</b>			
2000 General Obligation Bond Funds	\$ 10,963,600	\$ 3,674,600	\$ 14,638,200
2000 General Obligation Bond Funds - Interest	1,300,000	-0-	1,300,000
2000 Street and Highway Revenue Bond Funds	2,192,200	535,000	2,727,200
Capital Agreement Fund	183,000	-0-	183,000
Capital Agreement Fund: PAG	620,000	11,658,200	12,278,200
Capital Agreement Fund: Pima County Bonds	-0-	3,000,000	3,000,000
Capital Agreement Fund: Pima County Contribution	-0-	2,200,000	2,200,000
Federal Highway Administration Grants	-0-	19,492,600	19,492,600
H.E.L.P. Loan	4,600,000	-0-	4,600,000
Highway User Revenue Fund	2,142,800	3,602,000	5,744,800
Highway User Revenue Fund: Contributions	500,000	1,225,000	1,725,000
Highway User Revenue Fund: In-Lieu Fees	-0-	600,000	600,000
Mass Transit Fund: Federal Grants	12,160,100	11,128,800	23,288,900
Mass Transit Fund: General Fund Transfer	2,399,600	1,010,600	3,410,200
Miscellaneous Non-Federal Grants	564,300	-0-	564,300
Special Assessments Construction Fund	60,000	350,000	410,000
TEAM: Fees and Charges	102,400	127,000	229,400
Department Total	<u>\$ 37,788,000</u>	<u>\$ 58,603,800</u>	<u>\$ 96,391,800</u>



# Five-Year Capital Improvement Program

## Utility Services-Environmental Services

Program Area/Project Name	Recommended Fiscal Year 2006		
	Carry Forward	New Funding	Total
<u>Environmental Management</u>			
Broadway-Pantano Remediation Site, Phase I	\$ 246,800	\$ 100,000	\$ 346,800
City Landfill Investigations, Phase I	-0-	228,000	228,000
Cottonwood Landfill Project, Phase I	20,000	-0-	20,000
Harrison Landfill Remediation, Phase I	-0-	71,000	71,000
Los Reales Landfill Remediation, Phase I	340,000	-0-	340,000
Los Reales Landfill Southwest Remediation	80,000	-0-	80,000
Price Service Center Remediation, Phase I	8,600	600,000	608,600
Prudence Landfill Vadose Zone Remediation	500,000	-0-	500,000
Silverbell Jail Annex Landfill, Phase I	260,000	567,800	827,800
Tumamoc Landfill Investigation	-0-	120,000	120,000
Sub-Total	1,455,400	1,686,800	3,142,200
<u>Environmental Services</u>			
Closed Landfill Gas Mitigation, Phase I	-0-	50,000	50,000
Closed Landfill Improvements, Phase I	-0-	50,000	50,000
Irrington Landfill Closure, Phase I	702,500	200,000	902,500
Los Reales Intermediate Closure, Phase I	10,000	-0-	10,000
Los Reales Landfill Buffer Improvements	-0-	384,000	384,000
Los Reales Landfill Drainage, Phase I	87,800	-0-	87,800
Los Reales Landfill Facilities, Phase I	10,000	-0-	10,000
Los Reales Landfill Future Cells, Phase I	390,500	-0-	390,500
Los Reales Landfill Gas Control, Phase I	10,000	-0-	10,000
Los Reales Landfill GPS System	310,000	-0-	310,000
Los Reales Landfill Perimeter Litter Control	-0-	300,000	300,000
Los Reales Landfill Self-Hauler Facility	-0-	75,000	75,000
Los Reales Landfill Westside Closure	298,600	392,400	691,000
Mullins Landfill Closure	665,000	100,000	765,000
Mullins Landfill Gas Mitigation	350,000	-0-	350,000
Mullins Landfill Goundwater Remediation	-0-	618,000	618,000
Mullins Landfill Stormwater Controls	19,300	383,700	403,000
Tumamoc Landfill Closure, Phase I	-0-	195,000	195,000
Sub-Total	2,853,700	2,748,100	5,601,800
Department Total	\$ 4,309,100	\$ 4,434,900	\$ 8,744,000
<u>Source of Funds Summary</u>			
2000 Environmental Service Bonds	\$ 4,309,100	\$ 3,684,900	\$ 7,994,000
Environmental Services Fund: Reimbursement	-0-	750,000	750,000
Department Total	\$ 4,309,100	\$ 4,434,900	\$ 8,744,000

# Five-Year Capital Improvement Program

## Utility Services-Tucson Water

Program Area/Project Name	Recommended Fiscal Year 2006		
	Carry Forward	New Funding	Total
<b>Tucson Water - Potable Water System</b>			
<u>Tucson Water - Potable Source Development</u>			
Drill Production Wells	\$ -0-	\$ 800,000	\$ 800,000
New Well Equipping	-0-	715,000	715,000
Pressure Tank Replacement	-0-	450,000	450,000
Production Well Sites	-0-	75,000	75,000
Santa Rita Bel-Air Wellfield Upgrades (Well H-2)	-0-	175,000	175,000
Wellfield Upgrades	-0-	113,000	113,000
Sub-Total	-0-	2,328,000	2,328,000
<u>Tucson Water - Recharge and Recovery</u>			
CAVSARP Recharge Expansion	-0-	495,000	495,000
South Avra Valley Storage and Recovery Project	-0-	1,000,000	1,000,000
Sub-Total	-0-	1,495,000	1,495,000
<u>Tucson Water - Potable Storage</u>			
22nd Street Reservoir Modifications (Vault)	-0-	972,000	972,000
Devine Reservoir Vault And Piping Modifications	-0-	192,000	192,000
Diamond Bell Ranch I Zone Reservoir and Booster	-0-	660,000	660,000
Disinfection Equipment Upgrades	-0-	530,000	530,000
Reservoir Roof Replacements	-0-	378,000	378,000
Southeast C Zone Reservoir	-0-	307,000	307,000
Southeast E Zone Reservoir	-0-	2,100,000	2,100,000
Thornsdale/Tangerine C Zone Reservoir	-0-	1,027,000	1,027,000
Sub-Total	-0-	6,166,000	6,166,000
<u>Tucson Water - Potable Pumping Plant</u>			
Anklam B-C Zone Booster Station Modifications	-0-	300,000	300,000
Clearwell Pressure Regulating Valve Stations	-0-	400,000	400,000
Diamond Bell Ranch G-I Zone Booster Modification	-0-	170,000	170,000
Fireflow Booster Upgrades	-0-	50,000	50,000
Hayden-Udall D-B Pressure Regulating Valve	-0-	256,000	256,000
I-1 Well and Booster Modifications	-0-	25,000	25,000
La Cholla A-C Zone Booster Station Modifications	-0-	92,000	92,000
Las Palomas B-C Booster Station Modifications	-0-	211,000	211,000
Mark Road Booster Station Modifications	-0-	60,000	60,000
Pumping Facility Modifications	-0-	450,000	450,000
Sierrita/Cherokee Booster Improvement	-0-	30,000	30,000
W-2 Well And Booster Modifications	-0-	150,000	150,000
Sub-Total	-0-	2,194,000	2,194,000

# Five-Year Capital Improvement Program

## Utility Services-Tucson Water

Program Area/Project Name	Recommended Fiscal Year 2006		
	Carry Forward	New Funding	Total
<u>Tucson Water - Potable Transmission</u>			
Aviation and Third Avenue Manholes Transmission	\$ -0-	\$ 250,000	\$ 250,000
Avra Valley Blending Transmission Main	-0-	1,600,000	1,600,000
Avra Valley Transmission Main Augmentation	-0-	225,000	225,000
Cathodic Protection for Critical Pipelines	-0-	1,000,000	1,000,000
Clearwell/Columbus Manhole Improvements	-0-	700,000	700,000
Corrosion Evaluation and Repair	-0-	25,000	25,000
Palo Verde Overpass 16-inch Slipline	-0-	29,000	29,000
Pipeline Protection: Acoustic Monitoring	-0-	100,000	100,000
Pipeline Protection: Manhole Upgrades	-0-	210,000	210,000
Santa Rita Bel Air Transmission Main (Well H-2)	-0-	2,187,000	2,187,000
South Avra Valley Raw Water Delivery Pipeline	-0-	1,527,000	1,527,000
Southeast E Zone Transmission Main	-0-	3,140,000	3,140,000
Upgrade Corrosion Test Stations	-0-	50,000	50,000
Sub-Total	-0-	11,043,000	11,043,000
<u>Tucson Water - Potable Distribution</u>			
Chip Seal Main Replacements	-0-	25,000	25,000
Emergency Main Replacement	-0-	300,000	300,000
Extensions for New Services	-0-	10,000	10,000
On-Call Valve Replacement Program	-0-	300,000	300,000
Payments to Developers for Oversized Systems	-0-	100,000	100,000
Peppertree Settlement	-0-	300,000	300,000
Quadrant Main Replacements	-0-	1,015,000	1,015,000
Review Developer-Financed Potable Projects	-0-	850,000	850,000
Road Improvement Main Replacements	-0-	3,013,000	3,013,000
Routine Main Replacements	-0-	400,000	400,000
Sub-Total	-0-	6,313,000	6,313,000
<u>Tucson Water - Potable New Services</u>			
Fire Services	-0-	1,500,000	1,500,000
Water Services	-0-	1,210,000	1,210,000
Sub-Total	-0-	2,710,000	2,710,000
<u>Tucson Water - Potable General Plant</u>			
Eastside Maintenance Facility	-0-	800,000	800,000
Facility Improvements - General	-0-	100,000	100,000
Facility Safety and Security Improvements	-0-	738,000	738,000
Facility Security Grant	-0-	250,000	250,000
Geographic Information System	-0-	106,000	106,000
La Entrada Improvements	-0-	900,000	900,000
La Entrada Structure Remedy	-0-	270,000	270,000
Meter Upgrade and Replacement Program	-0-	1,890,000	1,890,000

# Five-Year Capital Improvement Program

## Utility Services-Tucson Water

Program Area/Project Name	Recommended Fiscal Year 2006		
	Carry Forward	New Funding	Total
Miscellaneous Land and Right-of-Way Acquisitions	\$ -0-	\$ 10,000	\$ 10,000
SCADA Communications Upgrade	-0-	150,000	150,000
SCADA System Improvements	-0-	700,000	700,000
Tucson Water Document Management	-0-	300,000	300,000
Sub-Total	-0-	6,214,000	6,214,000
<u>Tucson Water - Potable Treatment</u>			
Hayden-Udall Improvements, Phase II	-0-	2,457,000	2,457,000
Technical Drive Improvements	-0-	400,000	400,000
Sub-Total	-0-	2,857,000	2,857,000
<u>Tucson Water - Potable Process Control</u>			
Control Panel Replacements	-0-	369,000	369,000
Photovoltaic Monitoring Control	-0-	20,000	20,000
Sub-Total	-0-	389,000	389,000
<u>Tucson Water - Capitalized Expense</u>			
Capitalized Expense	-0-	5,000,000	5,000,000
Sub-Total	-0-	5,000,000	5,000,000
Total Tucson Water - Potable Water System	\$ -0-	\$ 46,709,000	\$ 46,709,000
<b>Tucson Water - Reclaimed Water System</b>			
<u>Tucson Water - Reclaimed Source Development</u>			
Reclaimed Storage and Recovery	\$ -0-	\$ 1,446,000	\$ 1,446,000
Sub-Total	-0-	1,446,000	1,446,000
<u>Tucson Water - Reclaimed Storage</u>			
La Paloma Reservoir Expansion	-0-	173,000	173,000
Reclaimed Storage Projects - General	-0-	30,000	30,000
Roger Road Reservoir Expansion	-0-	940,000	940,000
Sunrise Reclaimed Reservoir	-0-	78,000	78,000
Sub-Total	-0-	1,221,000	1,221,000
<u>Tucson Water - Reclaimed Pumping Plant</u>			
Mountain View Reclaimed Reservoir and Booster	-0-	249,000	249,000
Reclaimed Pressure Reducing Valves	-0-	10,000	10,000
Reclaimed Pumping Facility Modifications	-0-	10,000	10,000
Reclaimed Pumping Plant Projects- General	-0-	55,000	55,000
Roger Road Plant Booster Expansion	-0-	1,200,000	1,200,000
Sub-Total	-0-	1,524,000	1,524,000

# Five-Year Capital Improvement Program

## Utility Services-Tucson Water

Program Area/Project Name	Recommended Fiscal Year 2006		
	Carry Forward	New Funding	Total
<u>Tucson Water - Reclaimed Transmission</u>			
Campbell/Drexel Reclaimed Transmission Main	\$ -0-	\$ 3,640,000	\$ 3,640,000
Forty-Niner's Reclaimed Laterals	-0-	664,000	664,000
Forty-Niners Reclaimed Transmission Main	2,497,000	653,000	3,150,000
Norris/Main Avenue Reclaimed Transmission Main	-0-	100,000	100,000
Sub-Total	2,497,000	5,057,000	7,554,000
<u>Tucson Water - Reclaimed Distribution</u>			
City of Tucson Parks Main Extensions	-0-	55,000	55,000
Developer-Financed Reclaimed Projects	-0-	60,000	60,000
Sunnyside School District Main Extensions	-0-	55,000	55,000
System Enhancements: Reclaimed	-0-	178,000	178,000
Tucson Unified School District Main Extensions	-0-	55,000	55,000
Sub-Total	-0-	403,000	403,000
<u>Tucson Water - Reclaimed New Services</u>			
New Metered Services	-0-	50,000	50,000
Sub-Total	-0-	50,000	50,000
<u>Tucson Water - Reclaimed Treatment</u>			
Roger Road Reclaimed Water Treatment Plant	-0-	50,000	50,000
Roger Road Treatment Plant Clarifier Additions	-0-	400,000	400,000
Sub-Total	-0-	450,000	450,000
<u>Tucson Water - Reclaimed Process Control</u>			
Control Panels: Reclaimed System	-0-	90,000	90,000
Sub-Total	-0-	90,000	90,000
Total Tucson Water - Reclaimed Water System	2,497,000	10,241,000	12,738,000
Department Total	\$ 2,497,000	\$ 56,950,000	\$ 59,447,000
<b>Source of Funds Summary</b>			
2000 Water Revenue Bond Funds	\$ 2,497,000	\$ -0-	\$ 2,497,000
Central Arizona Project Reserve Fund	-0-	11,000	11,000
Future Water Revenue Bonds	-0-	36,706,000	36,706,000
Tucson Water Revenue and Operations Fund	-0-	19,983,000	19,983,000
Water Revenue and Operations Fund: Grants	-0-	250,000	250,000
Department Total	\$ 2,497,000	\$ 56,950,000	\$ 59,447,000

# Five-Year Capital Improvement Program

## Tucson Convention Center

	Recommended Fiscal Year 2006		
	Carry Forward	New Funding	Total
<b>Program Area/Project Name</b>			
Fire Alarm Replacement	\$ 928,000	\$ -0-	\$ 928,000
Department Total	\$ 928,000	\$ -0-	\$ 928,000
<b>Source of Funds Summary</b>			
2000 General Obligation Bond Funds - Interest	\$ 928,000	\$ -0-	\$ 928,000
Department Total	\$ 928,000	\$ -0-	\$ 928,000

# Five-Year Capital Improvement Program

## Information Technology

	Recommended Fiscal Year 2006		
	Carry Forward	New Funding	Total
<b>Program Area/Project Name</b>			
Emergency Communications System, Phase I	\$ 7,975,000	\$ 3,197,300	\$ 11,172,300
Department Total	\$ 7,975,000	\$ 3,197,300	\$ 11,172,300
<b>Source of Funds Summary</b>			
General Fund: Certificates of Participation	\$ 7,975,000	\$ 3,197,300	\$ 11,172,300
Department Total	\$ 7,975,000	\$ 3,197,300	\$ 11,172,300

# Five-Year Capital Improvement Program

## General Expense

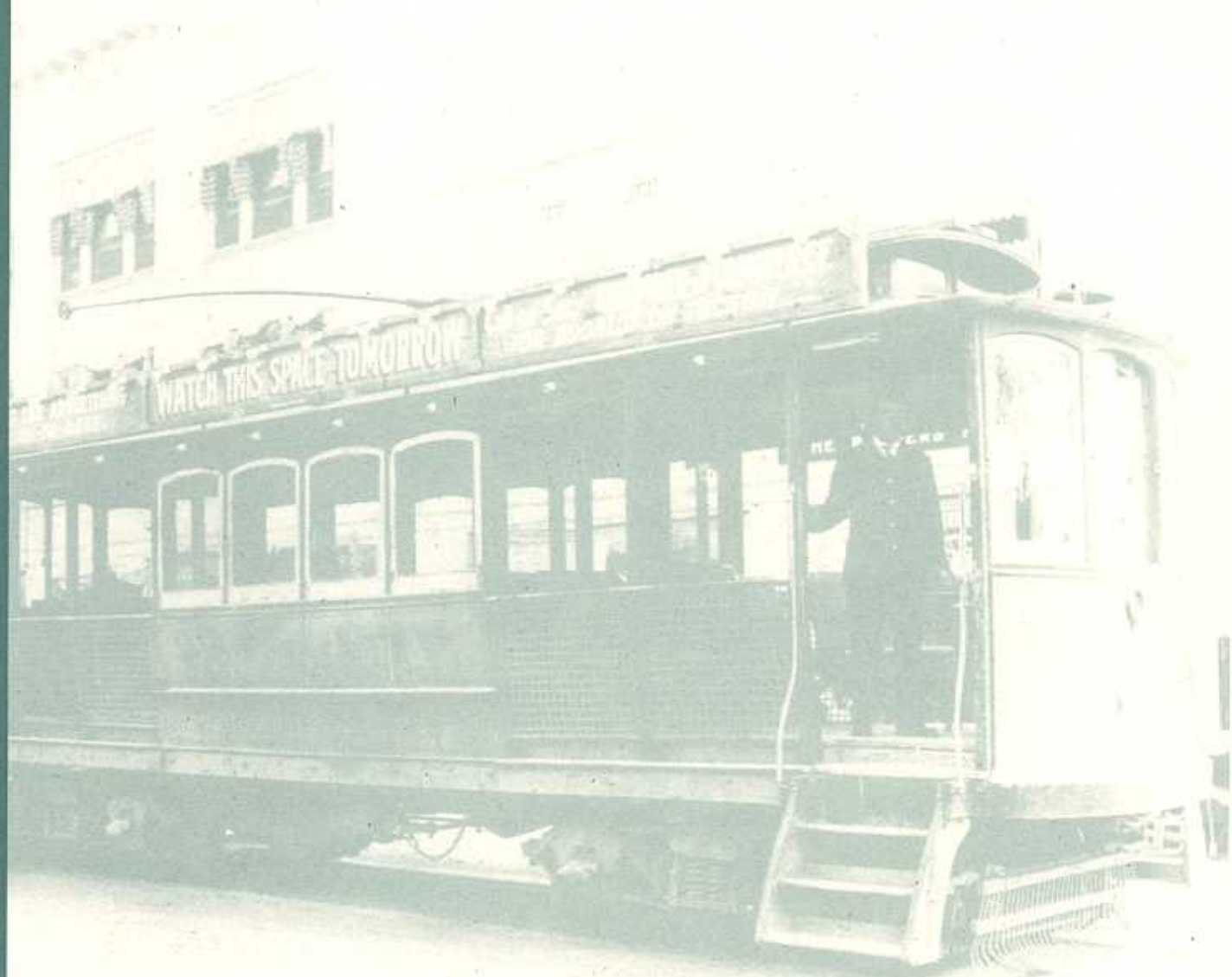
	Recommended Fiscal Year 2006		
	Carry Forward	New Funding	Total
<b>Program Area/Project Name</b>			
Hardesty Multi-Service Center	\$ 191,000	\$ -0-	\$ 191,000
Pennington Street Parking Garage	2,500,000	1,002,000	3,502,000
Web-Based Financial and Human Resource Systems	744,000	-0-	744,000
Department Total	<u>\$ 3,435,000</u>	<u>\$ 1,002,000</u>	<u>\$ 4,437,000</u>
<b>Source of Funds Summary</b>			
General Fund	\$ 744,000	\$ -0-	\$ 744,000
General Fund: Certificates of Participation	191,000	-0-	191,000
TEAM: Certificates of Participation	2,500,000	1,002,000	3,502,000
Department Total	<u>\$ 3,435,000</u>	<u>\$ 1,002,000</u>	<u>\$ 4,437,000</u>





## SECTION G

# CITY STRATEGIC PLAN





# CITY STRATEGIC PLAN

The City of Tucson continues to move forward in its effort to become a more strategic, results-oriented organization. The process began in the mid-1990s with the introduction of performance measurement and the Livable Tucson program, and continues in Fiscal Years 2005 and 2006 with a focus on the City Strategic Plan.

To be more efficient and effective in delivering quality services to residents, the City of Tucson follows a four-step strategic approach:

- Use Mayor and Council strategic priorities to guide City of Tucson priorities,
- Align the city organization to effectively carry out these priorities,
- Fund programs and projects which further these priorities, and
- Measure the results of our work and use the information to improve services.

## **Performance Measurement: The Journey Begins**

In the mid-1990s, the city began measuring its performance by developing numerous “Recurring Performance Measures” for each division of the organization. These measures were reported on a quarterly basis and were included in the annual budget document. In the late 1990s, the city’s performance measurement effort was refined by distinguishing between outputs and outcomes, and reducing the number of measures by identifying only the most important, or key, measures of performance.

## **A Results-Oriented Organization: The Ultimate Goal**

Performance measurement was a starting point for the City of Tucson in adopting a more results-oriented, strategic approach to providing services to residents. While the City Strategic Plan has allowed the city to move forward, additional steps still need to be taken.

To better equip the organization to effectively carry out priorities, departments and offices are aligned into four service areas:

- Support Services
- Neighborhood Services
- Environment and Development
- Strategic Initiatives

These groupings facilitate departments and offices working in partnership to achieve city priorities. The alignment also allows the organization to function with a more meaningful performance measurement system, one that connects across departments, and helps measure results at all levels of the organization—from divisions down to employees.

In a properly aligned organization, all efforts lead upward toward Mayor and Council priorities and community values and interests.

## **Citizen Survey**

Livable Tucson provided an initial foundation for community values and interests. However, our community is ever changing and additional sources of data are needed to ensure that our priorities are reflective of the community. One source of community data came from a citizen survey the City of Tucson conducted during 2001 in partnership with the International City/County Management Association (ICMA). In 2004, the city engaged in its second citizen survey utilizing a similar survey instrument. Gathering feedback from a broad section of Tucson residents on a routine basis is an important tool to gauge community perceptions of our city. Results from the survey are being used by the city council and the city organization to assess current practices and help set future priorities.

## **City Strategic Plan (Continued)**

### **Focus Areas and the Strategic Planning Process**

In December 2001, the Mayor and Council adopted six focus areas to guide improvements and development efforts within the strategic planning process. Focus areas allow government units to concentrate management initiatives, projects, and strategies, direct training of employees, and use resources effectively. The six focus areas identified by the Mayor and Council are: Transportation, Downtown, Growth, Neighborhoods, Economic Development, and Good Government.

The Adopted Strategic Planning process has been an effective tool for the city, documenting council priorities and setting direction for staff. The City of Tucson's Strategic Plan designated six long-term areas of focus, set forth strategies to improve results in each of those areas, and identified projects that are important for making progress towards those goals. As we look back at the original City Strategic Plan, adopted by the Mayor and Council in the spring of 2002, significant progress has been achieved. The Year-End Review for Fiscal Years 2003 and 2004 can be found at <http://www.tucsonaz.gov/hottopics/stratplan.html>.

In February and March of 2004, the Mayor and Council held two retreats to revisit the city's priorities. At that time the governing body suggested many new projects and other priorities were identified during the budget discussions. Using this information, the Fiscal Years 2005 and 2006 Strategic Plan was created to accurately reflect priorities for the coming years.

Within each focus area, the Mayor and Council adopted a set of strategies and critical priority projects. Taken collectively, the focus area projects set the workplan for the organization. The City Strategic Plan directs the city's limited resources so that they further the Mayor and Council's policy directions and have practical results in the short-term, as well as significant, long-term impact on the community. The City Strategic Plan can be found on the city's Web site at <http://www.tucsonaz.gov/hottopics/csp2.html>.



# CITY STRATEGIC PLAN FOCUS AREAS AND STRATEGIES

## **Transportation**

1. Seek and obtain funding, and technological, informational, operational and other types of resources necessary to improve the transportation system.
2. Provide leadership, in collaboration with other agencies within the region, to address local and regional transportation system needs.
3. Develop more effective transportation systems that support alternative land use patterns and lead to a more efficient travel system.
4. Employ Community Character and Design policies in transportation projects.

## **Downtown**

1. Aggressively manage downtown's redevelopment through partnering efforts with public and private organizations and individuals active in the downtown.
2. Provide a highly attractive urban center focused on the proposed entertainment experience area on Congress Street from Church Avenue to 4th Avenue, linked with the Tucson Convention Center and its adjoining proposed new Civic Plaza, Science Center and Arena.
3. Leverage private leadership and investment in downtown through targeted public investment.

## **Growth**

1. Grow smarter in newly developing areas. This includes providing the capital and infrastructure planning needed to ensure the orderly and sustainable growth of the community.
2. Reinvest in the central city. Opportunities for investment and redevelopment in inner-city areas need to be understood and achievable implementation strategies need to be developed. The need for investment in aging infrastructure must be addressed through the City's capital improvement program.
3. Protect Tucson's character through good design. We must understand the history of our built environment, and provide achievable solutions to correct existing deficiencies, and ensure that past mistakes are not repeated.
4. Improve services and infrastructure to address the demands of a growing community. The costs associated with growth needs to be understood for appropriate capital improvements planning and budgeting. This includes funding strategies, such as impact fees, community facilities districts, county and state funding and other sources. New development must finance its fair share of capital costs.
5. Address the impacts of an aging housing stock and develop programs to assist with maintenance and replacement needs.

## **Neighborhoods**

1. Community Safety and Citizen Participation - Ensure community safety by improving police and fire staffing levels and developing programs to support them. Establish better communication between government and constituents to improve service delivery and citizen participation.
2. The Built Environment – Invest public funding and encourage private investment through partnerships to enhance the appearance and livability of Tucson's neighborhoods. Continue restoration of public funding to complete or initiate needed infrastructure such as sidewalks, lighting, and public buildings and facilities.
3. The Natural Environment – Respect and preserve our natural resources by investing in parks, trails and open space.

## **Economic Development**

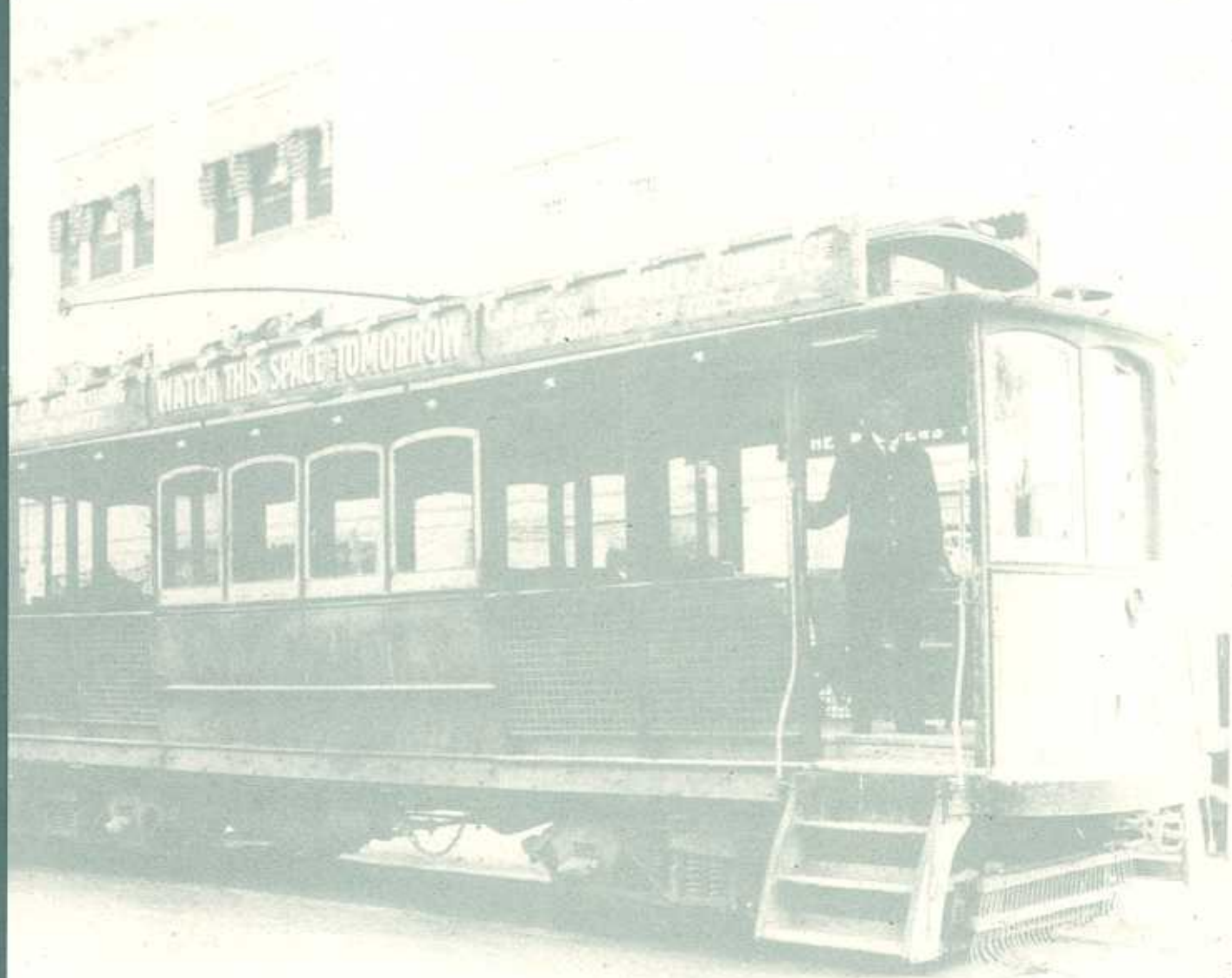
1. Foster a strong, diversified economy by encouraging the creation, attraction, and retention of businesses that provide knowledge-based, high-quality employment opportunities for a prepared and successful workforce base.
2. Improve community infrastructure to support and encourage economic expansion and opportunity in a global marketplace.
3. Increase the Mexican tourism economic impact on the region through strategic marketing efforts and partnerships.

## **City Strategic Plan Focus Areas and Strategies (Continued)**

### **Good Government**

1. Improved Customer Services – by positioning the City to provide the highest level of customer service to city residents and the community at large.
2. Prepared Workforce – enable and support the development of a prepared and successful employee workforce that is aligned with organizational priorities.
3. Fiscal Responsibility – optimize the streamlining of organizational processes to ensure quality services and fiscal responsibility.
4. Expand Use of Technology – by capitalizing on technology to improve service and increase efficiency, ensuring public and employee safety, exercising appropriate environmental stewardship and providing greater information access.
5. Strengthen Partnerships – by building a strategic network of partnerships that aim at bettering community life, eliminating redundant services and stretching the value of the taxpayer's dollars.

# SECTION H RIO NUEVO







**PROVIDED FOR INFORMATION PURPOSES; NOT PART OF THE CITY OF TUCSON BUDGET.**

**MISSION STATEMENT:** To create a vital downtown that expresses and nurtures Tucson's unique natural landscape, cultural heritage, rich history, and community values.

### OVERVIEW

In 1999, Tucson and South Tucson voters approved the Rio Nuevo Multipurpose Facilities District and established a tax increment financing (TIF) mechanism to fund economic development downtown. The vision for Rio Nuevo is to create a vital city center that expresses Tucson's unique natural landscape, cultural heritage, and community values. Rio Nuevo will create a solid foundation on which both residents and visitors can experience the cultural riches of our community's heritage. Its residential and commercial development opportunities will re-create a vibrant core of new life in the heart and future of Tucson.

Financing for Rio Nuevo is made up of the following:

- Incremental portion of state sales tax revenues generated within the district's geographical boundaries (\$7,673,469 received to date);
- City funding matching the state sales tax revenue; and
- Private investment funding (commitments approaching \$500 million as of March 1, 2005)

It is projected that over the ten year life of the district, at least \$125 million of state sales tax will be made available to Rio Nuevo. State sales tax funds will be collected from the Arizona Department of Revenue over a ten-year period that began on July 1, 2003. In the end, success will be measured not by the strategic public investments, but rather the amount of leverage by private sector investments.

More information about Rio Nuevo and Downtown Tucson revitalization can be obtained by visiting the Rio Nuevo Web site at [www.tucsonaz.gov/rionuevo](http://www.tucsonaz.gov/rionuevo).

### HIGHLIGHTS

The past year saw many accomplishments for Rio Nuevo. These include:

- |                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Historic Depot Restoration</li> <li>• Court/Meyer Housing</li> <li>• Rio Nuevo Master Plan Update</li> <li>• Acquisition of the Rialto Historic Theatre</li> <li>• El Presidio Adobe Structure Stabilization</li> <li>• Site Preparation for the Post at Kolbe Square</li> <li>• Jacome Plaza Redesign</li> </ul> | <ul style="list-style-type: none"> <li>• Development rights awarded for Presidio and Congress Blocks</li> <li>• Arena Design/Build and Feasibility Teams selected</li> <li>• Phase I funding for Origins approved</li> <li>• Design Team for Civic &amp; Cultural Plazas Selected</li> </ul> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



**Current Revitalization Goals for Downtown: FY 2006**

<b>The East End on Congress Street</b>	
Congress Streetscape	Complete master plan and begin implementing recommendations.
Depot Plaza	Complete design of 106 units of housing and secure funding.
Fourth Avenue Underpass	Begin construction on new underpass to include trolley tracks, bike lanes and wheelchair accessible sidewalks, and refurbish the historic underpass with improved lighting, decorative paving and restrict to pedestrian use. Landscape plazas at both ends of the project.
Fox Theatre Restoration	Complete restoration of 27,000 sq. ft., 1,200 seat historic theatre.
Pennington Street Garage	Complete construction of 750 parking spaces.
Rialto Block	Begin remodeling 16 apartments, building infrastructure and restoring Congress/5th Avenue commercial façade.
Rialto Theatre Restoration	Complete renovations of 11,000 sq. ft. historic theatre.
The Post at Kolbe Square	Begin construction of 60 condominiums and 12,000 sq. ft. of first floor retail space.
Warehouse Arts District	Begin implementation of Master Plan.
<b>Presidio</b>	
Presidio Terrace	Complete design and begin construction of 60 unit multi-story housing with first floor retail space.
Tucson Presidio Reconstruction	Complete design for the reconstruction of the Presidio including watchtower, barracks, ammunition building and interpretive displays.
<b>Civic Plaza in the Convention District</b>	
Arena	Complete feasibility analyses and begin design.
Civic Plaza/Parking Structure	Begin design of connecting the University of Arizona Science Center, Arena and Convention Center expansion.
University of Arizona Science Center	Begin design of \$100+ million multi-purpose center spanning the Interstate and Santa Cruz River.
<b>The West Side</b>	
Arizona Historical Society	Complete feasibility study for relocation to Rio Nuevo.
Arizona State Museum	Complete feasibility study for relocation to Rio Nuevo.
Cultural Plaza	Begin design.
Tucson Origins Heritage Park	Complete transit business relocation; design and begin constructing infrastructure.
<b>Private Development</b>	
Academy Lofts	Complete historic renovation of 50 unit rental property.
Armory Park del Sol	Continue sales and construction of 93 unit subdivision.
Clarion Hotel Redevelopment	Complete adaptive re-use feasibility study and begin design.
Franklin Court	Complete construction of 7 townhouses.
Ice House/Barrio Metallico	Complete construction on 51 loft units.
La Entrada Luxury Apartments	Complete 60 unit addition.
Mercado District of Menlo Park	Complete model homes for 260 unit residential development with retail and commercial space on Congress Street.
Paseo Estrella	Complete model homes and begin sales on 104 unit development.
Radisson Hotel Redevelopment	Complete feasibility analyses for mixed use and redevelopment.

<b>Transportation Infrastructure Goals</b>	
Ronstadt Transit Center and Greyhound	Complete location study of Greyhound and Ronstadt Transit Center facilities.
Transit Analysis	Establish a locally preferred alternative for connecting major activity centers from the University of Arizona to Rio Nuevo west of I-10.
Stevens Extension	Identify preferred alternative route for Barraza-Aviation Parkway interim by-pass.
St. Mary's Road: I-10 to Church	Begin design phase for west end of the Barraza-Aviation Parkway design.
<b>New Development Goals</b>	
Identify and promote vacant and underutilized publicly and privately owned real estate for redevelopment.	
Add 500 new residential units to the downtown marketplace.	
Add 25,000 square feet of new retail to the downtown marketplace.	
Implement Parking Master Plan.	
Complete long-range commercial and residential market forecasts.	

### FISCAL YEAR 2006 BUDGET

The Fiscal Year 2006 budget includes a capital budget of \$44.6 million and an operating budget of \$2.21 million. In addition, the district is responsible for servicing debt in the amount of \$3.7 million in the coming fiscal year. This debt service payment is returned to the district through rental income from the City of Tucson's use of the Tucson Convention Center. The district's anticipated operating and capital budget funds will come from state tax increment funding during Fiscal Year 2006.

The staff of 4.75 full-time equivalent positions is supplemented by assistance provided by city staff temporarily assigned to Rio Nuevo. The district's Board of Directors adopted the biennial budget in June 2004.

### RIO NUEVO CAPITAL AND OPERATING BUDGET

	FY 2005	FY 2006
<b>CAPITAL BUDGET</b>		
<b>PROJECT</b>		
<b>East End</b>		
Fox Theatre - Construction	\$ 1,300,000	\$1,000,000
Bank One Parking Lot Acquisition	-0-	800,000
Congress Streetscape	-0-	500,000
Warehouse District		
Design of Toole Streetscape	100,000	100,000
Infrastructure (East)		
Design of Streetscape	50,000	-0-
Construction	200,000	-0-
Thrifty Block - Demolition	750,000	-0-
44 North Stone Renovation	-0-	1,000,000
Rialto Block Development	1,500,000	250,000
Depot Plaza - Design	30,000	-0-
Trolley/Transit - Design, Start Construction	200,000	1,100,000

**Capital Budget (Continued)**

	<b>FY 2005</b>	<b>FY 2006</b>
<b>Civic Plaza</b>		
Arena	-0-	2,000,000
Gateway/Greenway		
Planning	30,000	-0-
Drill Track/Rail Line - Track Removal	200,000	-0-
Civic Plaza/Garage		
Design	100,000	1,750,000
Construction	-0-	4,000,000
Land Acquisition	-0-	3,500,000
University of Arizona Science Center	-0-	20,000,000
<b>West Side</b>		
Archaeology - Recovery, Clearance	200,000	1,000,000
Arizona Historical Society	-0-	100,000
Arizona State Museum	-0-	100,000
Citizen Auto Stage - Relocation	750,000	-0-
Santa Cruz River Park - Design	-0-	50,000
Infrastructure (West) - Design, Construction	200,000	1,000,000
Landfill - Remediation	800,000	200,000
Cultural Plaza/Garage - Design	100,000	500,000
<b>Other</b>		
Origins Heritage Park - Phase I (Design & Construction of the Presidio)	-0-	1,600,000
Presidio Terrace Parking Garage	-0-	2,000,000
Cushing/Simpson Culvert	-0-	1,500,000
Entitlements - Plats, Zoning, Planned Area Development for Arena, West Congress, and Science Center	100,000	50,000
Street Circulation	-0-	500,000
<b>Total Capital</b>	<b>\$ 6,610,000</b>	<b>\$44,600,000</b>

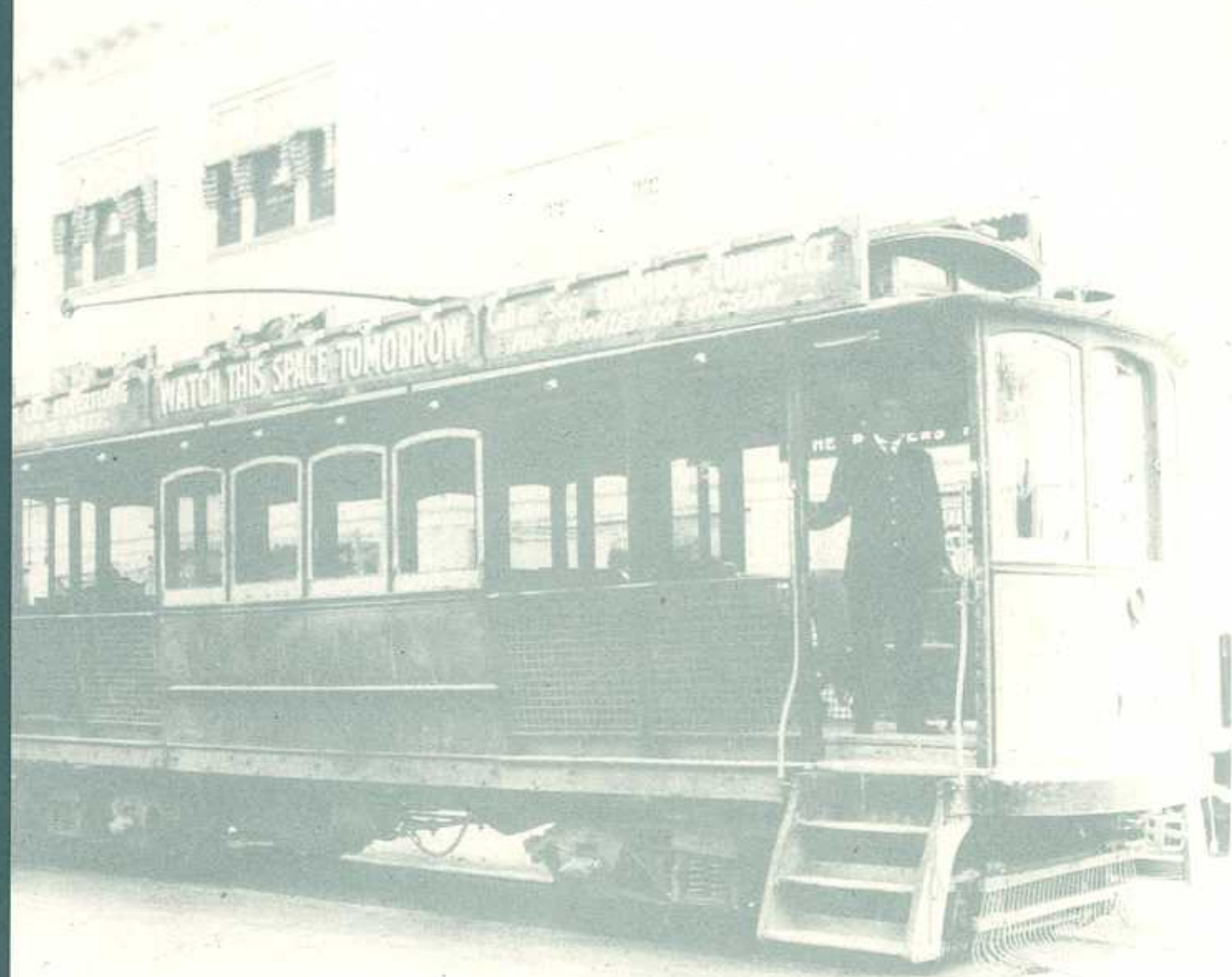
**OPERATING BUDGET**

Personal Services*	\$ 551,000	\$666,000
Professional Services	580,000	1,527,000
Commodities/Equipment	21,000	22,000
<b>Total Operating</b>	<b>\$ 1,152,000</b>	<b>\$2,215,000</b>
<b>Total Capital and Operating</b>	<b>\$ 7,762,000</b>	<b>\$46,815,000</b>
<b>Debt Service</b>		
Debt Service – Tucson Convention Center**	\$ 3,704,000	\$3,703,680
<b>Total Capital, Operating, and Debt Service</b>	<b>\$ 11,466,000</b>	<b>\$50,518,680</b>

\*Budget includes salaries charged to Rio Nuevo from other city departments.

\*\*Debt service payments on the financing of the Tucson Convention Center (TCC) are returned to the district in the form of rental payments from the TCC.

# SECTION I GLOSSARY



## **GLOSSARY OF TERMS**

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<b>Term</b>	<b>Definition</b>
<b>ACCOUNTABILITY</b>	The state of being obliged to explain actions to justify what was done. Accountability requires justification for the raising of public funds and the purposes for which they are used.
<b>ACTIVITY</b>	A group of related functions performed by one or more organizational units for the purpose of satisfying a need for which the city is responsible.
<b>ALLOCATION</b>	Assigning one or more items of cost or revenue to one or more segments of an organization according to benefits received, responsibilities, or other logical measures of use.
<b>ANALYSIS</b>	A process that separates the whole into its parts to determine their nature, proportion, function, and relationship.
<b>ANNUALIZED COSTS</b>	Operating costs incurred at annual rates for a portion of the prior fiscal year that must be incurred at similar rates for the entire 12 months of the succeeding fiscal year.
<b>APPROPRIATION</b>	An authorization granted by the Mayor and Council to make expenditures and to incur obligations for purposes specified in the appropriation resolution.
<b>ASSESSED VALUATION</b>	A valuation set upon real estate or other property by the county assessor and the state as a basis for levying taxes.
<b>BENCHMARKING</b>	The ongoing search for best practices and processes that produce superior performance when adopted and implemented in an organization. For the purpose of bench-marking, only that which you can measure exists.
<b>BENCHMARKS</b>	Measurements used to gauge the city's efforts, both as a community and as an organizational entity, in accomplishing predefined and measurable desired outcomes that have been developed with participation from decision-makers, management, staff, and customers. Benchmark selection requires that you first know what it is you wish to improve, and then the metrics (a means to measure) that will be used.
<b>BIENNIAL BUDGET</b>	A form of multi-year budgeting that covers a two-year period, rather than the one-year period of an annual budget. Each year within the biennial period is budgeted and shown separately within a single budget document published at the start of the first year. At the start of each fiscal year, the Mayor and Council formally adopt each budget within the two-year period in compliance with state budget law. Second year budgets can be adjusted as necessary with the Mayor and Council budgetary policies.

## **GLOSSARY OF TERMS**

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<b>Term</b>	<b>Definition</b>
<b>BOND</b>	A written promise to pay a specified sum of money (called the face value or principal amount) at a specified date or dates in the future (called the maturity date), together with periodic interest at a specific rate.
<b>BOND FUNDS</b>	Funds used for the purchase or construction of major capital facilities which are not financed by other funds. The use of bond funds is limited to ensure that bond proceeds are spent only in the amounts and for the purposes authorized.
<b>BOND PROCEEDS</b>	Funds derived from the sale of bonds for the purpose of constructing major capital facilities.
<b>BONDS - GENERAL OBLIGATION</b>	Limited tax bonds which are secured by the city's secondary property tax.
<b>BUDGET</b>	A financial plan consisting of an estimate of proposed expenditures and their purposes for a given period and the proposed means of financing them.
<b>CAPITAL BUDGET</b>	A financial plan of proposed capital expenditures and the means of financing them.
<b>CAPITAL CARRYFORWARD</b>	Capital funds unspent and brought forward from prior years.
<b>CAPITAL IMPROVEMENT PROGRAM</b>	A plan separate from the annual budget that identifies: (1) all capital improvements which are proposed to be undertaken during a five fiscal year period, (2) the cost estimate for each improvement, (3) the method of financing each improvement, and (4) the planned implementation schedule for each project.
<b>CAPITAL PROJECT</b>	Any project having assets of significant value and a useful life of five years or more. Capital projects include the purchase of land, design, engineering, and construction of buildings and infrastructure items such as streets, bridges, drainage, street lighting, water system, etc. Capital improvements are permanent attachments intended to remain on the land. Capital projects may include the acquisition of heavy equipment and machinery or specialized vehicles using capital funding sources.

## **GLOSSARY OF TERMS**

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<b>Term</b>	<b>Definition</b>
<b>CARRYFORWARD CAPITAL IMPROVEMENT PROJECT</b>	Any capital project that has been previously approved by the Mayor and Council, but for various reasons has not been implemented on schedule. Under state law and Generally Accepted Accounting Principles, only those costs relating to work actually done on or before the last day of the fiscal year can be reflected on the financial statements of that fiscal year. To avoid having to charge the project costs estimated to be incurred in a subsequent fiscal year as an unbudgeted item for that year and, therefore, violate state budget law, such a project and the associated projected costs are included in the subsequent fiscal year's budget.
<b>CARRYFORWARD OPERATING FUND BALANCES</b>	Operating funds unspent and brought forward from prior fiscal years.
<b>CERTIFICATES OF PARTICIPATION</b>	A debt financing tool which is used to enable the city to purchase large equipment and improve or construct city facilities. Interest is paid and principal repaid through annual payments made from funds appropriated each fiscal year by the Mayor and Council.
<b>COMMODITIES</b>	Expendable items used by operating departments. Examples include office supplies, repair and replacement parts for equipment, books, and gasoline.
<b>CUSTOMER</b>	The recipient of a product or service provided by the city. Internal customers are city departments, employees, or officials who receive products or services provided by other city departments. External customers are citizens, neighborhoods, community organizations, businesses, or other public entities who receive products or services provided by a city department.
<b>DEBT SERVICE</b>	The amount required to retire the principal and pay the interest on outstanding debt.
<b>ENCUMBRANCES</b>	Obligations in the form of purchase orders, contracts, or other commitments which are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when the obligations are paid or otherwise extinguished.
<b>ENTERPRISE FUND</b>	An accounting entity established to account for the acquisition, operation, and maintenance of governmental facilities and services which are entirely or predominantly self-supporting.
<b>EQUIPMENT</b>	An item of machinery or furniture having a unit cost of more than \$5,000 and an estimated useful life of more than one year. Heavy equipment and machinery that are capital improvements are included in the capital budget and are not considered equipment items in the operating budget.

## **GLOSSARY OF TERMS**

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<b>Term</b>	<b>Definition</b>
<b>EXPENDITURE</b>	Any authorization made for the payment or disbursing of funds during the fiscal year.
<b>FISCAL YEAR</b>	A 12-month period of time to which the annual budget applies and at the end of which a governmental unit determines its financial position and the results of its operations. Fiscal Year 2006, for the City of Tucson, refers to the period July 1, 2005 through June 30, 2006.
<b>FOCUS AREA</b>	Areas selected by the Mayor and Council as part of a strategic planning process that guide city improvement and development efforts for the budget year. The focus areas are Downtown, Transportation, Growth, Neighborhoods, Good Government, and Economic Development (see Section I, "City Strategic Plan" for details).
<b>FULL-TIME EQUIVALENT POSITION (FTE)</b>	A full-time position, or part-time position converted to a decimal equivalent of a full-time position, based on 2,080 hours per year. For example, a summer lifeguard working for four months, or 690 hours, would be equivalent to .33 of a full-time position.
<b>FUND</b>	An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources, together with all related liabilities, for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations.
<b>GENERAL FUND</b>	A fund used to account for all general purpose transactions of the city that do not require a special type of fund.
<b>INTER-ACTIVITY TRANSFERS</b>	Transactions between city organizations or funds that would be treated as revenues or expenditures if they involved parties external to the city. Transactions may be charged against other organizations or funds.
<b>MISSION</b>	A succinct description of the scope and purpose of a city department. It specifies the business activities of a department.
<b>NON-PERSONAL SERVICES</b>	Costs related to expendable services, such as supplies, materials, utilities, printing, rent, and contracted and professional services.
<b>NON-RECURRING REVENUE</b>	Proceeds of general obligation bonds, revenue bonds, and other restricted revenue.
<b>OPERATING BUDGET</b>	A financial plan which applies to all proposed expenditures other than for capital improvements.



## GLOSSARY OF TERMS

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Term	Definition
<b>OPERATING FUNDS</b>	Resources derived from recurring revenue sources used to finance operating expenditures and pay-as-you-go capital expenditures.
<b>ORGANIZATION</b>	The smallest unit of budgetary accountability and control which encompasses specific and distinguishable lines of work performed for the purpose of accomplishing a function for which the city is responsible.
<b>OTHER COSTS</b>	This classification of costs includes Sun Tran expenditures, contributions to outside agencies, specific federal fund expenditures, and miscellaneous expenditures.
<b>OUTCOME</b>	The result or community benefit derived from programs or services expressed as a measure and used to evaluate quality or effectiveness. Examples of outcomes are the number of traffic signals operating trouble-free on a daily basis and the percent of library customers satisfied with the book collection.
<b>OUTPUT</b>	A quantitative measure of activities or efforts undertaken to provide a service or program. Examples of outputs are the number of responses to emergency 9-1-1 calls and the number of tons of recyclable materials collected.
<b>OUTSIDE AGENCIES</b>	A group of organizations which are neither associated with, nor allocated to, any particular city department. Payments to Other Governments, Economic Development, Cultural Enrichment, Community Health and Safety, Mayor and Council Appointed Commissions, Annual Community Events, and Tucson Community Cable Corporation (Access Tucson) are the major program groupings for outside agencies.
<b>PERFORMANCE MEASURE</b>	An annual indicator of achievement or measure of production for a program or a unit as defined in the organization of the budget. Measures may be expressed as a number count, fraction, or percent of achievement. Examples are the number of water meters read, number of customer calls received, or percent of customers rating the service as “good” or higher.
<b>PERSONAL SERVICES</b>	The costs of compensating employees of the City of Tucson, including salaries and employee benefit costs, such as health, dental, and life insurance, city contributions for retirement, social security, and workers’ compensation insurance.
<b>PRIMARY PROPERTY TAXES</b>	All ad valorem taxes, except the secondary property taxes, which can be used for any lawful purpose.

## GLOSSARY OF TERMS

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Term	Definition
<b>PROGRAMS</b>	Desired output-oriented accomplishments which can be measured and achieved within a given time frame. Achievement of the programs advance the activity and organization toward fulfillment of a corresponding need.
<b>PROJECTS</b>	Unique assignments having a finite time span and a deliverable; normally associated with capital improvements such as roadways, neighborhood facilities, etc.
<b>RECURRING REVENUES</b>	Revenue sources available on a continuing basis to support operating and capital budgetary needs.
<b>RESTRICTED REVENUES</b>	Revenues which are legally restricted for a specific purpose by the federal, state, or local governments.
<b>REVENUES</b>	Income from taxes and other sources during the fiscal year.
<b>SECONDARY PROPERTY TAXES</b>	Ad valorem taxes or special property assessments used to pay the principal, interest, and redemption charges on any bonded indebtedness or other lawful long-term obligation issued or incurred for a specific purpose by a municipality, county, or taxing district; and assessments levied by or for assessment districts and for limited purpose districts other than school districts and community colleges pursuant to an election to temporarily exceed (up to one year) budget, expenditure, or tax limitations.
<b>SECONDARY TAX RATE</b>	The rate per one hundred dollars of assessed value employed in the levy of secondary property taxes. The assessed value derived from the current full cash value (market value) is the basis for computing taxes for budget overrides, bonds, and for sanitary, fire, and other special districts.
<b>SERVICES</b>	Costs which involve the performance of a specific service by an outside organization or other city organization. Examples of services include consultants, utilities, and vehicle maintenance.
<b>STREET AND HIGHWAY BONDS</b>	Revenue bonds which are secured by the city's Highway User Revenues and used for the construction of street, highway, and related capital projects.
<b>TAX LEVY</b>	The total amount to be raised by general property taxes for purposes specified in the Tax Levy Ordinance.
<b>TAX RATE</b>	The amount of tax levied for each one hundred dollars of assessed valuation.

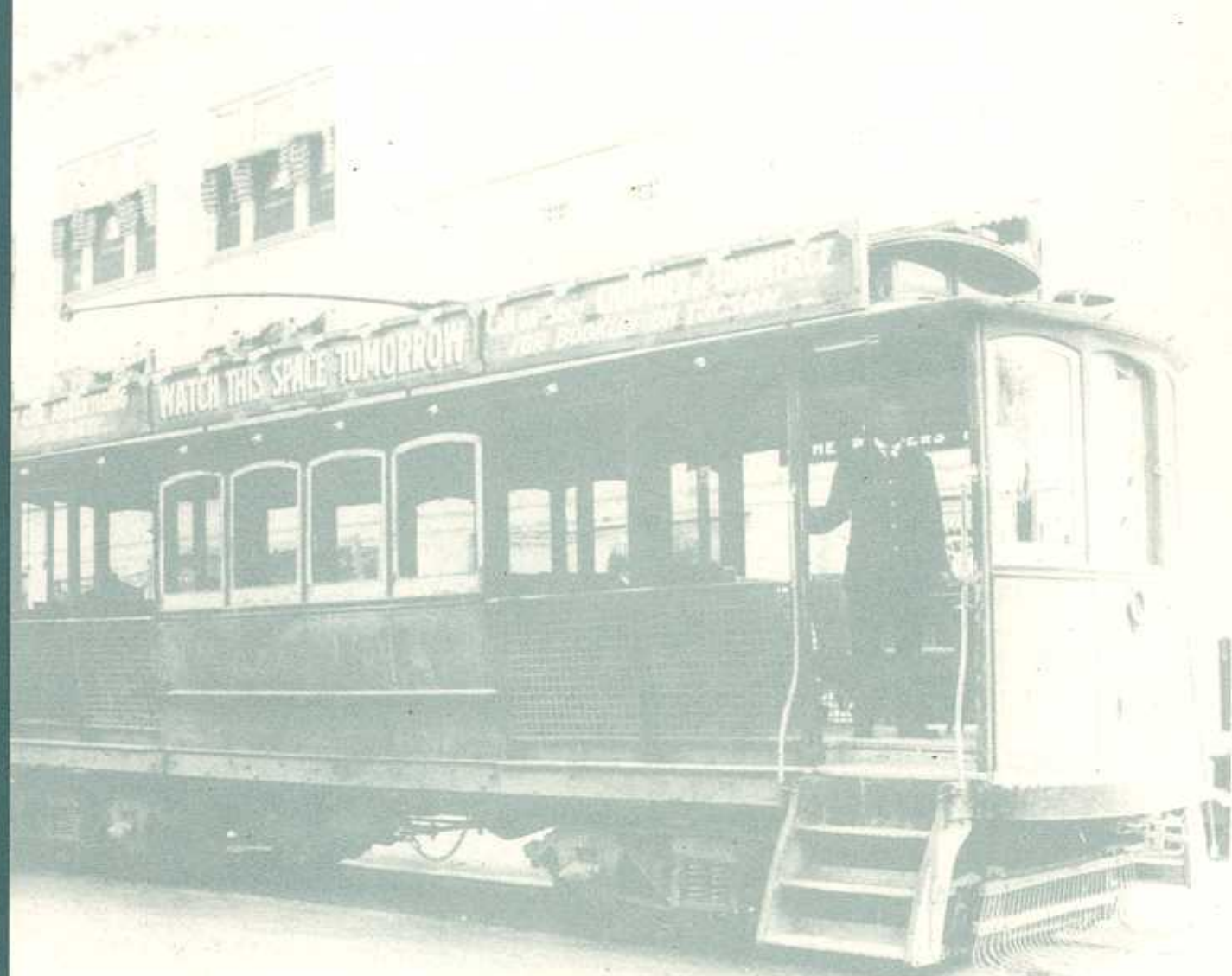
## ACRONYMS AND INITIALISMS

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Acronym/Initialism	Definitions
ADA	Americans with Disabilities Act
ASLD	Arizona State Lands Department
CAP	Central Arizona Project
CAVSARP	Central Avra Valley Storage and Recovery Project
CBC	Capital Budget Committee
CDBG	Community Development Block Grant
CIP	Capital Improvement Program
DOT	Department of Transportation
FHQ	Fire Headquarters
GIS	Geographic Information Systems
GPS	Global Position System
HAMP	Houghton Area Master Plan
HELP	Highway Expansion and Extension Loan Program
HOPE	Housing Opportunities for People Everywhere
HURF	Highway User Revenue Fund
LED	Light Emitting Diode
O&M	Operating and Maintenance
PAG	Pima Association of Governments
PEG	Public, Education, or Government
PRV	Pressure Regulating Valve
SAIAT	Southern Arizona Institute of Advanced Technology
SAVSARP	South Avra Valley Storage and Recovery Project
SCADA	Supervisory Control and Data Acquisition
SWAT	Special Weapons and Tactics
TEAM	Transportation Enterprise Area Management
TICET	Tucson Inner City Express Transit
TIP	Transportation Improvement Program (Pima Association of Governments)



# SECTION J INDEX



# INDEX



Acronyms and Initialisms.....	I-7
All Funds Summary .....	E-13
Appropriations - Fiscal Year 2006 Recommended Summary and Pie Chart.....	E-3
Area and Population Growth Charts .....	D-1
Benchmark Metropolitan Cities and 2002 Population.....	D-10
Benchmarking Project .....	D-9
Biennial Budget Calendar for Fiscal Year 2006.....	iii
Budget and Research .....	B-33
Budget Overview.....	A-4
Capital Budget Summary.....	F-1
Capital Budget Summary by Department - Table I.....	F-4
Capital Budget Summary by Funding Source - Table II.....	F-5
Capital Budget Summary of Operating Budget Impacts - Table III .....	F-7
Capital Projects Funds.....	E-34
City Attorney.....	B-10
City Clerk .....	B-9
City Court .....	B-11
City Manager .....	B-8
City Manager's Message, City of Tucson Fiscal Year 2006 Recommended Budget.....	A-1
City of Tucson Area and Population Growth Charts .....	D-1
City of Tucson Organization Chart Fiscal Years 2006 .....	i
City of Tucson Officials and Directors .....	ii
City of Tucson Residential Property Owner Tax Valuation Fiscal Year 2005 Property Taxes .....	C-9
City of Tucson Property Tax Summary.....	C-8
City Strategic Plan .....	G-1
City Strategic Plan Focus Areas and Strategies .....	G-3
Community Profile.....	D-4
Community Services .....	B-12
Comparison of General Purpose Revenues and Total Revenues .....	E-9
Components of the Total Financial Plan .....	E-1
Debt Service Funds.....	E-32
Demographic Benchmarks .....	D-16
Development Services .....	B-21
Distinguished Budget Presentation Award .....	v
Economic Benchmarks .....	D-11
Enterprise Funds.....	E-29
Expenditure Adjustments to the Fiscal Year 2006 Budget.....	B-5
Explanation of City Funds.....	E-7

# INDEX



Finance .....	B-34
Financial Policies and Practices.....	C-5
Fire.....	B-13
Fiscal Year 2006 City of Tucson Classified Annual Salary Scale – Exempt Schedule.....	E-58
Fiscal Year 2006 City of Tucson Classified Annual Salary Scale Police – Exempt Schedule.....	E-58
Fiscal Year 2006 City of Tucson Classified Annual Salary Scale Fire – Exempt Schedule .....	E-59
Fiscal Year 2006 City of Tucson Classified Annual Salary Scale Legal – Exempt Schedule .....	E-59
Fiscal Year 2006 City of Tucson Classified Annual Salary Scale Information Technology – Exempt Schedule.....	E-60
Fiscal Year 2006 City of Tucson Classified Annual Salary Scale Golf and Ranch – Exempt Schedule .....	E-60
Fiscal Year 2006 City of Tucson Classified Annual Salary Scale – Non-Exempt Schedule.....	E-61
Fiscal Year 2006 City of Tucson Classified Annual Salary Scale Police – Non-Exempt Schedule.....	E-62
Fiscal Year 2006 City of Tucson Classified Annual Salary Scale Fire – Non-Exempt Schedule.....	E-62
Fiscal Year 2006 City of Tucson Classified Annual Salary Scale Hourly (Seasonal or Intermittent) Schedule – Non-Exempt .....	E-63
Full-Time Equivalent Positions General Recurring Funds and Other Funds – Fiscal Years 2005 and 2006 .....	E-56
Full-Time Equivalent Positions Permanent and Non-Permanent – Fiscal Years 2005 and 2006 .....	E-54
General Fund .....	E-15
General Services .....	B-35
Glossary of Terms.....	I-1
How to Use This Budget .....	iv
Human Resources .....	B-36
Index.....	J-1
Information Technology.....	B-37
Intergovernmental Relations .....	B-31
Legal Requirements.....	C-1
Library .....	B-14
Mayor and Council.....	B-7
Neighborhood Resources .....	B-15
Non-Departmental.....	B-39
Number of City Employees per 1,000 Population Chart.....	D-2

# INDEX



Office of Economic Development .....	B-30
Office of Equal Opportunity Programs and Independent Police Review.....	B-19
Office of the Public Defender .....	B-20
Officials and Directors .....	ii
Organization Chart Fiscal Year 2006.....	i
 Parks and Recreation .....	 B-16
Police .....	B-18
Position Changes to the Fiscal Year 2006 Budget.....	B-40
Procurement.....	B-38
Property Tax Summary.....	C-8
 Residential Property Owner Tax Valuation Fiscal Year 2005 Property Tax.....	 C-9
Revenue Adjustments to the Fiscal Year 2006 Budget.....	B-2
Revenue Descriptions.....	E-36
Revenue Detail - All Funds Summary .....	E-13
Revenues and Appropriations Summary Fiscal Year 2006 by Operating and Capital .....	E-10
Revenues and Expenditures Comparisons.....	E-6
Revenues and Expenditures Comparisons and Fund Balance - General Fund.....	E-11
Revenues and Expenditures Comparisons and Fund Balance - Other Funds .....	E-12
Revenues Fiscal Year 2006 Recommended Sources and Pie Chart.....	E-2
Rio Nuevo Project.....	H-1
 Selected Economic Indicators - Tucson Metro Area.....	 D-3
Significant Adjustments to the Fiscal Year 2006 Budget .....	B-1
Special Revenue Funds.....	E-22
Statement Required by Arizona Revised Statutes §42-17102 Relative to Property Taxation .....	C-7
Summary by Character of Expenditures .....	E-5
Summary of Expenditures by Department.....	E-4
 Ten-Year Adopted City Staffing Comparison with Fiscal Years 2005 and 2006.....	 E-49
Transportation .....	B-22
Tucson City Golf.....	B-17
Tucson Convention Center .....	B-29
Tucson-Mexico Trade Office.....	B-32
 Urban Planning and Design .....	 B-24
Utilities Services-Environmental Services.....	B-25
Utilities Services-Tucson Water.....	B-26
 Zoning Examiner .....	 B-28



